

SPRS 77015

17 December 1980

West Europe Report

No. 1670

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DURDURAN WANTS SOLUTION TO OIL SHORTAGE

Nicosia HALKIN SESI in Turkish 5 Nov 80 p 3

[Text] CLP [Communal Liberation Party] Chairman General Durduran has urged the government to find a solution to the oil shortage as quickly as possible and to begin treating people as human beings. Durduran's statement read as follows:

"The policy of the NUP [National Unity Party] government and of Minister Irsen Küçük in what concerns the distribution of oil continues to torment the citizenry. We see in this policy that is devoid of any economic consideration another example of the disrespect shown towards humanity by the NUP--Denktas government. The policy is based on a method of "lowering consumption through harassment." It is obvious that no one harboring any love for humanity would attempt to lower oil consumption by decreasing deliveries to gas stations and provoking a confrontation between the citizenry and station attendants."

A large variety of measures ranging from rationing to improvements in mass transportation are available as ways to reduce oil consumption. Instead, the NUP Minister chooses to make it an ordeal for the citizenry to buy fuel and thus force a reduction in consumption. Following this, he makes false statements intended to hide his guilt. The question must be asked as to whether Turkey has indeed been selling less oil or whether as the result of government mismanagement the company is facing its current problems because no money exists for the purchase of oil? In his television appearances at state expense the honorable minister has made proclamations of success intended to lull the citizenry, but has avoided any clarification of the reasons behind the oil shortage. It is clear however that a shortage of oil which is purchased with Turkish Liras has been brought about by the use of the fund for price stability as an instrument of fraud. The responsibility for this situation as well as the responsibility for consequently having to reduce consumption by making station attendants harass the citizenry, belongs to Irsen Küçük and the NUP government.

The citizen knows that plans for the reduction of oil consumption involve his harassment. The citizen is also aware of the fact that there is a minister who condones a confrontation between the citizen and the service station attendant. We urge the government to find a solution to the oil shortage as quickly as possible and to begin treating people as human beings.

9491

CSO: 4907

INI REINDUSTRIALIZATION OBJECTIVES, ECONOMIC, ENERGY POLICIES

Madrid EL PAIS in Spanish 2 Nov 80 pp 46-47

[Interview with Industry and Energy Minister Ignacio Bayon by Julio Fernandez; date and place not given]

[Text] Performing its role in implementing the government's economic policy, the Ministry of Industry and Energy is engaged in an industrial overhaul by sectors involving the abandonment of prior practices aimed at salvaging individual businesses. The head of the ministry, Ignacio Bayon, is trying to compensate for this political decision, whose social costs will be the loss of thousands of jobs, through various reindustrialization programs focusing initially on the energy, farming and food and technological sectors. In this interview with EL PAIS, Ignacio Bayon, the only government minister who is not a deputy, outlines the objectives of the National Institute of Industry (INI), which are mainly to put the enterprises in the state holding company on a competitive footing with private enterprise, both in terms of their profitability and management.

Question: The latest government reshuffling has, in practice, meant the adoption of a new style in pursuing the government's economic program. From the vantage point of the Industry Ministry, whose head is familiar with the previous stage under the leadership of Abril Martorell, what chance for greater effectiveness do you see in the new economic team?

Answer: There is very clear-cut administrative coordination today, which does not mean that there was not yesterday. There are very frequent meetings with Vice President Calvo Sotelo and the ministers of finance, economy and commerce, not just formal ones but informal get-togethers too, as well as ongoing messages to zero in on issues.

Question: Does such a practice mean that the new economic team is more consistent than the former one?

Answer: I think that the men are different. Fernando Abril ran the economy differently. He is the sort of man who often gets involved in things as a doer, whereas Vice President Calvo Sotelo is more of a coordinator. I do not think

that you can set guidelines for the conduct of an economic vice president without taking into account his personality. Abril got directly involved in the issues of industrial restructuring, and Calvo Sotelo shows greater personal interest in other issues.

Abril reminds me at times of Von Karajan, who conducts from the keyboard, the piano keyboard that is, whereas someone like Calvo Sotelo directs more like Georg Solti, from above, baton in hand.

Question: Nevertheless, Calvo Sotelo seems to be more inclined to exercise greater organizational control over the departments and agencies in the economic sphere. In this connection, the possibility has been tossed about in recent days that the National Institute of Industry, a branch of your ministry, might be put directly under the economic vice presidency.

Answer: The INI is a key element in Spanish industrial policy, which, in turn, is a key element in economic policy. We could lump it all together at the summit of economic policy through integration schemes, but that does not seem to make sense.

There is an administrative organization with its ministries and independent agencies, which execute those ministries' policies, and the public enterprises, in turn, are under each one of them. It would not be an especially good idea to begin integrating things at the moment.

I see the INI as the traditional agency for implementing industrial policy in many fields. I have not been presented with the opportunity to go about modifying the institute's organizational standing. The government vice president has not brought up this issue with me.

Question: What has apparently been officially questioned has been the status of the president of the INI.

Answer: I have read in the press about many doubts in this regard, but I think that they stem instead from the desires for change that arise along with a change in government personnel. The INI is so important to the country's economy that its operational stability is always welcome, as long as the goals that have been set are being attained.

The press has also said that I have confirmed De la Rica as institute president. That is not exactly true. When I entered the ministry, I endorsed the INI president, but such endorsements are open-ended, until a change in outlook dictates a withdrawal of such endorsements.

Question: To continue with the INI issue, we could talk in terms of four major spheres within the institute: energy, the major basic sectors undergoing an industrial revamping, services and what we might describe as the INI of the future, the INI that could implement the reindustrialization policy that the country seems to need in light of the serious unemployment situation. What are the objectives of the first INI sphere, energy?

Answer: The energy INI, as this sector of the institute could be described, has a dual task: to spur the economy and to help implement the National Energy Plan (PEN). In spurring the economy, the INI's scheduled investments for next year total 160 billion pesetas, to be channeled mainly into the electrical sector for the construction of thermal and nuclear powerplants and the reconversion of refineries.

In executing the PEN, the institute, which is the agency that supplies the country with energy, plays a major role as a promoter. The objectives of the PEN have been set amid circumstances that have modified last year's crisis, which means that the plan, which was correctly formulated for a given moment (albeit perhaps too late because it was agreed on in July of last year, when the energy crisis was already 5 years old in Spain), will have to be revised for next summer.

The bulk of the investments scheduled under the PEN are being carried out as planned, to the extent that at the close of the first half the plan was 95 percent on schedule.

Separately, the pricing policy, based on the approach of passing on the impact of energy price increases to consumers, has led to a reining in of consumption and even a reduction in gasoline use.

Question: The nuclear program, however, seems to be the one farthest behind schedule even though it involves the most investments.

Answer: Here the reasons for the delays are basically political, as is the case in most Western countries, except France, which is pursuing its program on schedule.

Question: With regard to the INI that concerns itself with major businesses in crisis, what approach has the Industry Ministry taken?

Answer: In this connection, which is what we might call the watchdog INI, attention is focused on companies in integrated iron and steel, the shipbuilding sector and motor vehicles, mainly ENASA and SEAT [Spanish Passenger Car Company, Inc]. These activities under INI control will entail losses of close to 100 billion pesetas for the institute this year.

The policy being pursued in this regard is subject to the sector overhaul plans established by the Industry Ministry. The program for ENASA has already been taken care of through its merger with International Harvester, and the plan to save Mevosa is along the same lines, a merger with Mercedes Benz. The overhaul of the integrated iron and steel industry and the shipbuilding sector will be worked out by the end of the year.

The institute's administrative efforts are aimed at reducing losses in these businesses.

The solution for SEAT is moving in the direction of Japanese participation. Nissan and Toyota are the possibilities under consideration right now, with the

latter having more of a chance to penetrate the European market through our firm. I think that we will have a solution before year end and I hope that it is as untraumatic as possible for the current SEAT personnel.

Question: On the subject of INI losses, the image of the institute, as reflected by the companies that it manages, is one of waste and misuse of the public monies used to finance these companies. What is the ministry doing to put an end to this situation? Wouldn't it, perhaps, be timely to establish once and for all the public enterprise statute that some sectors have been so insistently calling for?

Answer: I think that what we have to establish are administrative approaches rather than terms of legal constitution. No country in the Western World has a comprehensive public enterprise statute, and I fear that such a law would wind up spelling out major philosophical principles rather than really providing the political guidelines that public enterprises need.

This is because the only common thread running through the various public enterprises is that the majority of their shares are in state hands, whereas they have substantially different specific characteristics. From this perspective, a public enterprise statute would constitute an administrative law treatise on the classification of public enterprises, but nothing more.

What does seem constructive to me, and the government did this prior to this summer, is to set some major performance guidelines for the enterprises, which do not need to be spelled out in a law.

These guidelines would be the publicizing of its activities, open and professional management, permanence and stability, in a word, equivalence in the marketplace in which each enterprise competes with private firms, or what comes down to the same thing, doing away without further do with the privileges that public enterprises enjoy over private ones just because they are financed with government money.

In this regard, I would like to point out, even if just as an example, that in 1 year we have cut the number of advisers in INI enterprises by close to 300.

Question: The third block of INI activities that we listed at the outset, the services sector, seems to offer the greatest degree of inconsistency with the principles that you have just mentioned. I am referring in particular to the gap between the management of these enterprises and the services they provide.

Answer: Management does, in fact, have to be coordinated with the level of public service the INI wants to cover in its services branch, mainly transportation.

You cannot have an enterprise like Iberia provide services of such high quality or frequency or geographic scope that its losses are unlimited.

Iberia should move towards cutting its losses to zero and having a balanced budget within a year.

This means establishing a policy of realistic fares and limiting the growth of its domestic services. In my judgment, it makes no sense to maintain at all costs domestic air routes that always lose money when they can be served by other modes of transportation.

Having been in RENFE [Spanish National Railroads], I have said, and I will repeat it here solemnly, that I think it unjustifiable for soldiers, recruits to be airlifted. Nowhere in the world is this done. We will have to charge fares that discourage this practice and at the same time keep on encouraging alternate modes of transportation.

With regard to the services diversification that the institute is suffering from, I think that we have to discard the habit of taking over companies running a deficit, in other words, soaking up losses.

I don't think it makes much sense for ENTURSA as an INI enterprise to run entirely conventional hotels that private enterprise could and should operate, except in the case of saving national monuments such as the San Marcos or Reyes Catolicos national inns. This is an issue to be brought up again soon.

Question: In line with the ministry's call for an austerity program in public enterprises, your department is engaged in revamping the major sectors in crisis. What approaches are you following in this regard?

Answer: For political and technical reasons, the revamping of industries must focus on the sector as a whole, not on individual enterprises, which does not mean that on occasions we should not take specific measures for a certain enterprise because of its significance or uniqueness within a sector.

It is an overview of the sector that enables us to become familiar with market conditions on the whole, and this enables us to arrange what we are going to do on domestic and foreign markets and to determine pricing criteria. In contrast, focusing on individual enterprises leads to taking on their specific financial and labor problems, without a necessary overview of the sector.

The revamping is geared towards the basic sectors of the economy, specifically, iron and steel, shipbuilding, motor vehicles, household appliances and others that have been looked at less, such as footwear and textiles.

The ministry is trying to give the sector a leading role, as has been done for special steels, in which the enterprises themselves carry out the revamping programs and decide how to spend the government funds earmarked for their overhaul, 4 billion from the state and another 4 billion from the Basque Government, under the control of the administration, as represented in the company set up for this purpose.

Question: In addition to their financial burdens, the ill common to these sectors seems to be excess staff. With more than a million and a half people out of work, how does the ministry reconcile its revamping plans, which will inevitably pare back jobs, with the employment situation?

Answer: There does, in fact, seem to be a contradiction here. But the ministry, and ultimately the government itself (and its economic program) realizes that if this is not done, the enterprises will fold and all of the workers will be out of jobs. We cannot salvage everything; we have to salvage as much as we can.

Moreover, the ministry's preparations are being complemented with a reindustrialization plan to absorb the workers that the current sector overhaul might leave jobless, in addition to helping create jobs in general.

In this connection, public investment will be aimed at the sectors that can have the most impact on employment, and within this ministry's purview there are three specific sectors in which we have made our industrial wager.

These sectors are energy, food and agriculture and electronics. With regard to the first one, aside from what I have already mentioned, cutting our energy dependence on oil in half by 1987 is an objective that will entail investments of 430 billion pesetas. Once we have achieved this goal, we will have to get ourselves others to expand the number of sources we get electricity from. This process will no doubt generate sizable numbers of jobs.

As far as the food and agriculture sector is concerned, Spain's consumption capacity is important, and exports are a key factor. At present there is no correlation between our farm output capacity and the food industry, which has a very high growth potential, and not only through the multinationals, which have the largest presence in the industry today.

We are currently studying along with the Agriculture Ministry a program to further develop this industry, in which the cost of a job is under 2 million pesetas, appreciably lower than the cost in other sectors.

This industry is even of prime importance for our industry location policy as an element in territorial planning. And today, the political balance that this country needs could be aided by a balance in territorial growth.

The last of the future sectors on which the Industry Ministry has already decided to wager is electronics, which is in its infancy in Spain today. Nevertheless, we have growth potential in consumer electronics.

In this regard, we have a very high administrative coordination capability, whereby the public sector's purchases in the electronics and computer sector could be a major element of support for generating our own technology.

8743

CSO: 3110

DENKTAS ACCUSES GREEK CYPRIOTS OF UNDERMINING TALKS

Nicosia HALKIN SESI in Turkish 28 Oct 80 pp 1, 2

[Text] Yesterday morning, President Rauf Denktas of the Turkish Federated State of Cyprus replied to questions from members of the press. The questions concerned various aspects of the Cyprus problem. When reminded of rumors claiming that the Cyprus problem is to be discussed by participants in next February's conference of non-aligned states to be held in India, State President Denktas said:

"We have some time until February and hence will have an other opportunity to talk about this. The Greek-Cypriot side has in the past begged US Presidents to resolve the Cyprus problem in the name of NATO. It has obtained its livelihood from British bases and has authorized the operation of US planes from these bases. It has been established that the Greek-Cypriot side has received money from the CIA on numerous occasions. The Greek-Cypriot side has remained silent during the invasion of Afghanistan but has made its own reputation through inhumane activities in Cyprus. That the Greek-Cypriot side should represent Cyprus at such a meeting is a proposition that should be unacceptable to any truly non-aligned nation. It is useful to state this for the record one more time and to reaffirm that in such meetings the Greek-Cypriots represent not Cyprus, but merely themselves."

Recalling that Makarios had formally announced his offer of a base to the United States of America, Denktas said that in view of this he found it surprising that the non-aligned states could recognize the illegitimate Greek-Cypriot administration as the government of Cyprus. The questions asked by the press and the replies given by State President Denktas read as follows:

Question: News are circulating that a meeting is to be held in Paris on December 6 and 7 with the encouragement as well as the participation of the Greek-Cypriot Administration. The theme of the meeting is said to concern the implementation of UN resolutions on Cyprus. What are your views concerning this matter?

Answer: Such a meeting would be in contradiction with the agreement to initiate talks as well as the spirit of the talks. This is a deplorable situation. According to the summit agreement, the UN resolution to be implemented is to be one that will be acceptable to both sides and that will consequently be valid for all of Cyprus. UN resolutions adopted behind our backs and in spite of us are invalid and have no chance of being implemented. The World is well aware of our attitude toward this matter. While a resolution that is deemed to be valid exists, this

resolution is general in nature and does not mention the presence of a government in Cyprus. Intercommunal agreements have been reached and implemented in the case of some important issues stemming from this resolution. For instance, an agreement reached at the third Vienna meeting involved the exchange of populations and when implemented superseded UN resolutions concerning this matter. The Cyprus problem requires seriousness and realism. Half of the Turkish community has fled to the liberated area that has been freed from Greek occupation and from the perpetrators of the coup. They have done so out of exasperation with 11 years of atrocities, abuse, oppression, murder and inhumane treatment on the part of Greek-Cypriots. Many of these people have become refugees three or four times since 1958. They have suffered pain and have been driven to economic collapse. In the future, the Greek-Cypriot leadership will not be able to change these realities by misleading the World as in the past and obtaining the passage of resolutions. We will be drawing the attention of the Honorable Waldheim to this latest attack instigated in spite of an existing agreement for the beginning of the talks.

Question: Denktas replied as follows to a question that concerned the latest address by Archbishop Hirostomos:

Answer: It is regrettable that on the Greek-Cypriot side the Church continues to meddle in politics. The church has been the cause of all disasters that have befallen Cyprus. As long as the church will not withdraw from politics, it will remain as a threat on the island and as an institution that has sworn to undermine any agreement. When one looks from peaceful and tranquil Northern Cyprus, it becomes clear that Southern Cyprus must still suffer at the hands of the church. The continuation of church interference in politics brings about a situation in which the alertness and the preparedness of the Turkish side are constantly maintained.

Question: It is said that a meeting of British Commonwealth nations is to take place in Cyprus during November. What are your views concerning this matter?

Answer: Such things are the result of global unawareness of the realities in Cyprus. A mislead and misinformed World is turning a blind eye towards these realities as it deems this to be in its best interests. Insistence by the British Commonwealth over this policy which is mistaken as well as detrimental to peace, should have presented an unacceptable legal and moral situation to Great Britain, the leader of the Commonwealth. For 11 years the Greek-Cypriot Administration has employed Hitler's tactics in dealing with one fourth of the island's population. The Turkish community has merely defended its rights, status, property and existence--things that were guaranteed by Great Britain as well. To assume that the Turkish community is represented by such an administration is an inadequate policy that does not befit the British government. We have repeatedly maintained this position in the past and we will continue to defend it.

9491

C30: 4907

COMMUNAL SOLUTION TIED TO EQUALITY OF RIGHTS

Nicosia DOZKURT in Turkish 4 Nov 80 p 1

[Text] State President Rauf Denktas said that no solution to the Cyprus problem would be found without a recognition of the equality of the Turkish and Greek communities. In reply to questions from the press concerning the course of the intercommunal talks and the invitation to New York extended by United Nations Secretary General Kurt Waldheim to the Turkish and Greek Ministers of Foreign Affairs, State President Denktas declared that Greek-Cypriots are demonstrating no new understanding in approaching the resolution of the problem.

State President Denktas said that the effort behind the intercommunal talks was aimed at the re-establishment of a legitimate joint government founded within a framework of principles underlying the Makarios-Denktas agreement. He said:

"Until this is brought about, there is no government and there can be no government that can be called the legitimate government of Cyprus. As long as the Greek-Cypriot leaders do not share in this belief, it will be very difficult to surmount obstacles regardless of what they bring to the conference table."

Denktas said that the Greek-Cypriot refusal to accept the Waldheim invitation on the grounds that it will place the Turkish Administration on the same footing as their administration was not based on a valid argument. He added that the equality of the two communities was fundamental to the establishment of the Republic of Cyprus. Denktas stated that a decision concerning Waldheim's invitation to New York will be taken by the Turkish Federated State of Cyprus.

In reply to a question concerning his visit to the border village of Akincilar on the previous day, State President Rauf Denktas stated that he was aware of plans by the inhabitants of the village to send a message to Waldheim in connection with press reports that the village is to be turned over (to Greek-Cypriots) as a concession. He said:

"No one should have any cause for concern. When we reach the point of resolving the issue of Cyprus, when we begin to discuss adjustments to the borders, our people shall know what is being discussed and what is being intended. The reaction of our people will be gaged. In any case, 400 year old Turkish villages and settlements will remain untouched."

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CSO: 4907

FAMAGUSTA CONSIDERED KEY TO SETTLEMENT

Nicosia CYPRUS MAIL in English 25 Nov 80 p 1

[Text] The Famagusta issue has rightly been given priority in the items for discussion at the intercommunal talks because it is the key to an early settlement of the Cyprus problem, Mr Constantine Lordos, Chairman of the Famagusta Refugee Movement said in a speech during the weekend.

It is the one issue on which the ability of the two communities for communities for conciliation and peaceful co-existence will be tested, Mr Lordos said.

He thought that several of the good will measures envisaged in point six of the Kyprianou-Denktash agreement, which ranks as the second item in the intercommunal talks agenda, could be tested in the case of Famagusta and he listed some of them, such as:

Greeks and Turks could cooperate in a spirit of mutual understanding there.

Famagusta offers itself as the gateway to and from the "enclaved" Greek Cypriots in the Karpas.

Famagusta could become the headquarters of the proposed investigatory Committee to start work for the fate of the missing in an effort to remove a human drama which poisons relations between the two communities.

Famagusta could become the Office for Pensions and Social Grants for Turkish Cypriots entitled to such benefits and also be the headquarters for such services as passports, Land Registry services, common economic and agricultural projects and contacts between organisations and individuals.

M. Lordos thought that both the Turkish and the Greek side are having misapprehensions about what is "desirable" and what is "feasible". The first speak about federation yet they seek complete communal separation and the latter speak of federation yet they seek a "unitary state".

It must not be overlooked, Mr Lordos said, that what is sought is a federation of two component parts, that of the Greek and that of the Turkish Cypriot community but the federal instrument must be in charge of federal affairs.

CSO: 4920

OFFICIALS RESPOND TO TURKISH REPUBLIC DAY

Nicosia BOZKURT in Turkish 30 Oct 80 pp 1,6

[Text] Ceremonies in the Turkish Federated State of Cyprus as well as in Turkey have marked celebrations for Republic Day on 29 October. Following the formal acceptance of congratulatory calls at the Turkish Embassy in Nicosia yesterday, ceremonies were held on Cumhuriyet Square and Cemal Gursel Avenue. During these, troops were reviewed, addresses conveying the significance as well as the importance of the day were delivered and a well executed parade took place. Between 1700 and 1900 hours a reception was hosted by Ambassador Inal Batu of the Turkish Republic and his spouse. A torchlight parade began in the streets of Nicosia at 2000 hours.

In his address emphasizing the significance and the importance of the day, Turkish Ambassador to Nicosia Inal Batu stated that it was no longer possible for Cyprus to return to the situation that existed before 1974. He said "Your strongest and most important guarantee on this path will as always be Turkey." Ambassador Batu said that the Turkish community had known how to resist all enemy efforts for 13 years and would also be victorious in the struggle for economic development. He said:

"As always, the Motherland will support efforts in this field and will continue to extend all necessary aid. You should not despair when you see that all of your wishes are not fulfilled at once. You will surmount all difficulties. However, this will take time. You will have to go through difficult periods before you reach your objective."

Batu stated that the important successes we have obtained until now are the guarantees of successes to be achieved in the future and said:

"I am certain that as long as the Turkish community maintains its unity, it will be able to surmount with ease any obstacle on its path. I would like you to be certain of this as well."

Batu said that as for all contemporary nations, the achievement of economic development through social justice is of the highest importance for us and will require a maximum effort on our part. He said:

"There is no need to remind you of the things that the Republic as an institution has brought to our nation. I only wish to emphasize a few points. Thanks to the

the Republic established through the great leadership of Ataturk, the Turkish nation has taken charge of its own destiny, left behind a declining order and assumed its rightful place within the community of nations. With the reform movement set in motion by the establishment of the Republic, the Turkish nation has attained the level of contemporary civilization and has left behind its image as the "sick man of Europe." It has become the proprietor of a dynamic and forward looking state. Naturally, this has not been achieved easily. The Turkish nation has had to go through a difficult struggle. This struggle is still underway. The gravity of the situation prior to the timely intervention by our armed forces very clearly indicated the importance of the internal as well as the external threats that have confronted us in the past and could confront us again at any moment. In view of its geographic position, our country has always attracted the attentions and ambitions of certain foreign elements. Even today, we must be vigilant to ensure that our country is not engulfed by the conflict in our region."

In an other speech, Prime Minister Mustafa Cagatay said that the Greek-Cypriot side has to bring a halt to its harmful policies towards the Turkish community if the intercommunal talks are to reach a successful conclusion. He said:

"If the element confronting us can base its future actions on the lessons of the past and place these actions on a foundation of sincerity, sensitivity and realistic understanding of the issues in Cyprus, efforts to find a permanent solution in Cyprus will be accelerated as well as facilitated."

In emphasizing that our community has always stood for peace, Prime Minister Cagatay made the following call to our neighbors in the South:

"Be as much for peace as we are and demonstrate your willingness in this matter by showing respect for our rights. Then, within the atmosphere of a permanent peace, it will not be difficult for us to make our island a paradise of happiness, well-being and security."

Prime Minister Mustafa Cagatay said that the Turkish-Cypriot Community was in a position to demonstrate its determination towards maintaining the peace to demonstrate its determination towards maintaining the peace in Cyprus by shifting to its favor the current balance between the two communities. He stated that an economically powerful, socially well-balanced and militarily dynamic Turkish Community would always serve as a defender and guarantor of peace in Cyprus. Cagatay said that our feelings during this year's celebration of Republic Day are different from our feelings during celebrations on other years because the dark clouds over Turkey have been dispersed by the September 12 operation. He said:

"As a community that has tied its destiny to Turkey, our greatest guarantee is a Turkey that is powerful, determined and able to look at its future with confidence. It is for this reason that the September 12 operation also carried vital importance from our standpoint and that we also feel warm respect towards the sacred objectives of this operation. I deem it an honorable duty to offer my feelings of gratitude, appreciation and solidarity to those who have made the September 12 operation a reality."

Cagatay continued his statement as follows:

"As we celebrate here today one of the most important events in Turkish history, we must once again remember and assert that as the Turks of Cyprus we owe our existence, our security and our future to the Turkish Motherland. This was true yesterday, is true today and will be true tomorrow. We were being confronted by an element that had purged from itself any sentiment of friendship towards us, that had determined its strategic goals on the basis of a long term struggle and that was awaiting a moment of weakness by the Turkish Motherland for the opportunity to deliver us a mortal blow. Up until recent times this element has been in contradiction with the requirements of humanity and of our era. It had racist, fanatical and imperialist aspirations and demonstrated its attachment to such aspirations through its actions. As we continue our political struggle in Cyprus, we are trying to explain this reality to the entire World. This reality will sooner or later be perceived by the entire world. A crime has been committed in modern times against the Turkish population of Cyprus. We do not believe that a world with any pride can forever continue to reward those responsible for this crime."

Cagatay recalled that in an address delivered some time ago he had stated that the intercommunal talks were the only possible venue for the resolution of the Cyprus crisis. He said that the proposals that we have put forward at the conference table have posed a serious challenge to our political opponents. Cagatay said:

"The replies that they have given to our proposals indicate that at least at this stage those who oppose us do not have the intentions of meeting this challenge."

Cagatay continued:

"It is not chauvinism to discuss realities that expose the motivations of the element that opposes us. On the contrary, it is the very essence of standing for peace. This is so because it is not possible to seek peace, to achieve peace or to preserve peace without maintaining a clear picture of the realities in Cyprus. To be for peace is a modern day virtue. We are always for peace. However, peaceful sentiments must be reciprocated with equally profound replies if they are to bring about happy and beautiful outcomes. History has yet to record unreciprocated peaceful sentiments that have brought the World any happiness or well-being."

Cagatay said that while divergences of opinion were essential to life in a democracy, unity over certain fundamentals had to be achieved whenever this was necessitated by the interests of the community. He elaborated by saying:

"We must confront events without forgetting the realities of Cyprus or the dangers we face as the Turkish community. We must always keep the sacred interests of the community apart from the daily polemics in politics. Democracy is not a regime of unrestrained acts. In democracies restraints are imposed by the interests of the community. Instances in which such restraints are left behind bring about the decline of democracy. It is distinctly clear that this in turn would constitute a situation incompatible with peaceful objectives."

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CSO: 4907

POPULIST PARTY, CLP BLAST GREEK-CYPRIOT STANCE

Nicosia BOZKURT in Turkish 4 Nov 80 p 1

[Text] The Populist Party declared that the Turkish Community has always defended the argument that the negotiations should take place between the two communities and criticized the position of the Greek-Cypriot side. In a declaration on behalf of the party, Deputy Secretary General Hasan Kozoglu reminded that the Turkish side had advocated results that would be achieved through talks and said"

"The Greek-Cypriot side on the other hand, has never managed to get rid of its preference for misrepresenting the issue so that it can be dragged into the agendas of various international forums, as well as its preference for attacking us and for deceiving the world through lies and false accusations. If they continue with their policies, the healthy solution that is being expected from the bilateral talks will become more difficult to achieve. Such acts endanger and render more difficult the process of searching for a solution through intercommunal negotiations."

In its declaration, the PP described as a significant attempt and positive step the invitation to New York extended by United Nations Secretary General Kurt Waldheim to Foreign Affairs, Defense and Tourism Minister Atakol as well as Foreign Minister Rolandis of the Greek-Cypriot Administration. The statement indicated that the Greek-Cypriot side should also have accepted the invitation. The statement also claimed that a realistic and definitive solution to the Cyprus problem would be one that would involve two distinct communities, two distinct zones, independence, non-attachment and safeguards for the rights of the Turkish Community.

Communal Liberation Party (CLP) Chairman General Alpay Durduran has criticized the refusal of the Greek-Cypriot Administration to attend the invitation extended by United Nations Secretary General Kurt Waldheim. He also criticized the reasons behind the Greek-Cypriot refusal to attend the invitation that would have taken the Turkish-Cypriot and Greek-Cypriot Ministers of Foreign Affairs to New York on 17 November. Alpay Durduran said that claims by the Greek-Cypriot Administration that a trip to New York with the Turkish-Cypriot Foreign Minister would lower the status of the Greek-Cypriot Administration to that of the Turkish-Cypriot Administration and that this would interfere with the talks, had to be attributed to a lack of sincerity. He said that such a stance could be compatible with no effort based on goodwill. Communal Liberation Party Chairman General Alpay Durduran said that the Maras region should not be opened to the resettlement of Greek-Cypriots in spite of requests for this by the Greek-Cypriot Administration. He said that the Greek-Cypriot Administration had requested such a token gesture as a means of winning favor with those who are from Maras and that a solution to the Cyprus problem could not be found through token gestures that would not be reciprocated.

MINISTERS CONSIDER CITRUS, ELECTRIC PROBLEMS

Nicosia BOZKURT in Turkish 26 Oct 80 p 1

[Text] In a meeting chaired by Prime Minister Mustafa Çağatay the TFSC Council of Ministers determined the composition of the delegation that is to go to Ankara on December 5. The delegation is to discuss economic and financial issues with the government of the Turkish Motherland. The Press Bureau of the Prime Ministry has announced that the delegation will be headed by Prime Minister Mustafa Çağatay. It will also include Minister of the Economy and Finance Hakki Atun, Counsellor Unal Akif of the Ministry of Commerce, Industry and Cooperatives, Counsellor Ertugrul Guven of the State Planning Organization and Ozem Nasim who is in charge of financial affairs at the Prime Ministry.

Minister of the Economy and Finance Hakki Atun discussed the meeting of the Council of Ministers. He said that the Council examined newly prepared guidelines for the regulation of electric rates in conformity with sections 170 and 171 of the Law on Electricity. Stating that the scrutiny was conducted in the light of detailed information provided by the person who is General Director and Chairman of the Agency Governing Board at the Agency for Electricity, Atun said:

"The Council of Ministers has given Agriculture, Natural Resources and Energy Minister Irsen Küçük the authority to update the guidelines in questions so that they will conform as closely as possible to current conditions. The Honorable Irsen Küçük is to bring the results of his work to the next meeting of the council of Ministers."

It is already known that many complaints have been received from hotels as well as commercial and industrial enterprises that have been particularly affected by the electric rates quoted in the new guidelines. They have warned that this situation is bound to reflect upon the cost of producing goods and performing services. The effort initiated by the Council of Ministers is aimed towards the restructuring of electric rates that have been the subject of complaints and warnings.

While discussing other decisions reached by the Council of Ministers, Minister of the Economy and Finance Hakki Atun said that work was being conducted in connection with the issue of the citrus growers as well as the problems and the situation currently confronting Cypfruvex. Hakki Atun stated that the General Director of Cypfruvex as well as its Governing Board have provided detailed information to the Council in matters concerning the company's activities during the new season. Hakki Atun said:

"Particular attention was paid to crop marketing and market prices in the outside world. The Council of Ministers decided to call into session next Monday the Consultative Commission that it had established in the context of an earlier decision. The commission is composed of citrus growers and is headed by the Director of the Agricultural Bureau. The Commission is to be briefed during this session, and a discussion of pricing and marketing strategies planned by Cypfruvex for the upcoming period is to be conducted in the light of past experience. The Director of the Agricultural Bureau has been provided with the necessary instructions pertinent to this matter."

It is already known that the matter of advance payments to citrus growers has given rise to misunderstandings. According to the information we have obtained, base prices are in any case not going to be below advance payments to be made to growers and are to be announced as they become known. It is expected that the meeting scheduled for Monday will also shed some light on the matter of advance payments.

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CSO: 4907

ADDITIONAL PAYMENTS COMING TO CITRUS GROWERS

Nicosia, HALKIN SESI in Turkish 6 Nov 80 pp 1, 7

[Text] In a statement yesterday, Commerce, Industry and Cooperatives Minister Taskent Atasayan said that he had given instructions to Cypfruvex for an additional payment to citrus growers amounting to 25 percent of what is still owed to them by that company. In his statement released through the Press Bureau of the Prime Ministry, Atasayan recalled that 25 percent of what was owed to growers had been paid sometime ago. He said that with the new payments, 50 percent of what is owed to growers will have been paid and that efforts are underway for the payment of the outstanding debt. Atasayan indicated that formalities necessary for the payment of the 25 percent currently in question will be promptly completed by Cypfruvex with disbursements to growers beginning immediately.

Atasayan also mentioned the decision by growers to bring the harvest to a halt and stated that such a decision in the current period would exert several adverse influences upon the citrus sector. He continued to say that a failure to bring the fruit harvest to market at an early date would result in a failure to obtain the higher prices that could be achieved otherwise and translate itself into an inability to attain the higher returns currently earmarked for the grower.

Atasayan indicated that experts have stated that leaving ripe fruit on trees will adversely influence the quality of the fruit as well as the trees themselves. He said that as efforts to find a solution continue, a continuation of the harvest would in any eventuality be in the best interest of the growers.

Atasayan said that certain grower's unions have not been participating in the meetings of the Citrus Consultative Commission established by a decision of the Council of Ministers for the purpose of promptly resolving any problems faced by the growers. He said that the aim of the commission in question is not the severing of the direct link between grower and government as has been alleged, or the ignoring of issues, but the bringing about of closer ties for the speedier resolution of problems and the establishment of a long term citrus policy.

Atasayan added that the growers as well as their representatives can meet directly with either the Prime Minister or any appropriate Minister, and that to this date no request for such meetings had been turned down. He also said that another meeting of the Citrus Consultative Commission would be called for next Friday.

9491

CSO: 4907

COALITION AGREEMENTS ON ECONOMIZING MEASURES GIVEN

Hamburg DIE ZEIT in German 7 Nov 80 pp 3,4

[Report on the coalition program key points, compiled by the DIE ZEIT Bonn Bureau]

[Text] For the next 4 years the Bonn coalition will carry on in the sign of economizing measures. Almost no department will be spared some painful cuts. The most important coalition agreements involve the following:

Research: In future the Research Ministry will need to use a great deal of intelligence--just what it has long encouraged for the purpose of modernizing the economy. A cut of DM650 million requires a lot of rearrangements. Despite the cuts the research budget--similar to the total budget--will rise by 4 percent. The FDP-SPD controversy about the advantages of direct and project-related promotion (SPD) versus those of indirect encouragement (FDP)--generally by way of tax privileges--did not sharpen into conflict. In any case the cuts compel the denial to industry of projected subsidies which had earlier been promised. The coalition is agreed about the priorities: Energy and environmental research and the development of microprocessors. In these fields the Federal Republic is threatened with a dangerous technological gap.

Justice and Interior: Joining a series of relatively innocuous projects--for instance combating white collar crime, improvement of copyright statutes, state liability, the possibility of parole for lifers after 15 years have been served--are projects included mostly at the insistence of the FDP. The necessity and usefulness of the antiterrorism legislation, for example, is to be reviewed. Not only article 88A, paragraph 130A (instruction in violence) is deemed to be "superfluous." Amendment of the Kontaktsperregesetz [1977 law restricting contacts between accused terrorists and the outside world] is "sought." As regards the hiring of extremists, discretion is to be used depending on the job involved. In practice this must be interpreted to mean: Engine drivers yes, senior civil servants no.

The FDP has not prevailed with its plans for an antidiscrimination law for the benefit of women, the deletion of article 175 and the inclusion in the constitution of the right to environmental protection. Accepted, on the other hand, was the admissibility of class actions--important for environmentalists. Provisions on the protection of the privacy of data are to be tightened, the effects of the reform of article 218 investigated.

It appears doubtful that the intended amendment of the Kontaktsperregesetz will in fact occur. The most difficult problem from the political and juridical aspect is likely to be the change in the handling of extremists.

Foreign and Defense Policy: Military balance and detente--these traditional principles of foreign and defense policy continue the most important connecting links of the coalition. The financial problems of defense policy are going to be tougher. Though the defense budget was not cut as much as Matthoefer wanted, it does not meet the promise made the allies (3 percent growth in real terms). The FDP has insisted that a commission should study the structure and weaponry of the Bundeswehr to ensure that its efficiency is unimpaired. In any case, expensive procurement projects will have to be spread over a longer period.

Just about the same applies to development aid. True, that budget is going to grow considerably more than the budget of other sectors (how much is probably not going to emerge until the next budget session). But the goal of appropriating 0.7 percent of the gross national product to development aid has once again been indefinitely postponed.

Education: Education grants were exhaustively considered, deletions, cuts or spreads discussed. In 1981 it will still increase, because more students than earlier assumed are entering the stage where they need aid. In other respects, though, the structure of education grants is to be revised. Inconsistencies are to be abolished--for example that students leave home, occupy student housing in the same city and then get grants to pay for the additional cost. The details will still have to be negotiated. It remains to be seen how much savings they will yield. On the other hand we can easily calculate what the Federal Government may save by curtailing university construction: DM220 million. The Laender may save a similar amount. Universities will have to cut their building programs. A new wave of entrance restrictions threatens unless they learn better to utilize their capacities.

Disputed Social Policy

Social Policy: The SPD and FDP were compelled to postpone more decisions in their coalition negotiations regarding social policy than for any other sector. Nowhere else were the differences of opinion anywhere as pronounced. At the very last moment they failed to achieve a compromise or the assurance of (equal) codetermination in the iron and steel industry. Should this turn out to be indispensable for the purposes of the coalition, it will require sacrifices from both parties.

On the other hand they succeeded in producing a compromise on the rate of contributions to the retirement insurance fund: Consonant with SPD wishes it will be raised from 18 percent to 18.5 percent--thanks to a rather involved plan which is going to benefit the state budget rather than the retirement insurance fund. A sensible outcome was also recorded in the issue (rather unimportant in practical terms) whether retirement pensions should rise in accordance with gross or net wages. The choice was gross wages but, in compensation, retirees will be asked from 1983 to pay a slowly rising contribution to the health insurance fund. The coalition partners barely mentioned a topic which was much talked of before the election: The 1984 reform of retirement pensions. Their silence has good reasons: The reform will be far more modest than expected.

Transportation: The sum of DM8.7 billion had been allocated to the expansion of waterways and throughroads. Following the coalition cuts the new minister for transportation will have to forget the 700 million after the decimal point. The

German Railroad executive will suffer more headaches after the cut in subsidies for the money losing railroads by about DM500 million. The increase in the oil tax (7 pfennigs for gasoline, 3 pfennigs for diesel) will be felt in fare increases for urban transport, especially because the diesel fuel subsidy has been deleted. FDP and SPD are therefore inclined to help out the local authorities affected. Their share in the oil tax is to be lifted from 6 pfennigs to 7 pfennigs. This will provide DM400 million, half of which is to be earmarked for antinoise measures, half for investments in urban transportation. However, the finance minister has already raised objections and though parliament has the last word it will have to show where else these DM400 million might be economized.

Housing Construction: The conflict--predicted by many people and virtually invited by the Social Democrat federal finance minister--failed to erupt: Bonn's housing construction policy will cost barely less in 1981 than this year, because it will swallow at least DM20 billion. The fetters of government control (hampering housing construction for the past 60 years) will be loosened only slightly. Despite the enormous appropriation the Federal Government is unlikely in the coming years either to satisfy urgent housing needs in the area of greatest shortage: The conurbations and among the poor.

Hans Matthoefer declared war on the special depreciations much beloved by developers, especially for two-family houses. He considers them too expensive and insufficiently beneficial from the social standpoint. For the same reason he also intends to abolish the so-called building sponsor system, an increasingly popular--because tax advantageous--type of rental construction. He did not succeed in either undertaking--the FDP's argument prevailed: They hold that this would stop up the last wellspring of privately financed housing construction.

Possibly yet another wellspring was drilled, the yield of which is still unknown: Rent increases are to be made easier. The coalition hopes that banks and insurance companies will in that case resume involvement in housing construction. It remains to be seen whether this will ease the "new housing shortage" mentioned by the SPD.

Unduly High Stakes?

Farmers and Civil Servants: In recent days the FDP's successes in the Bonn negotiations have frequently been cited. However, their greatest success is likely to cost them dear in the long run: They managed so blatantly to favor the most expensive pensioners and most highly privileged people in the land--farmers and civil servants--, protecting them from any contribution to the improvement of the public purse, that many non-civil servants and non-farmers must have asked themselves whether they had done right in voting for the FDP on 5 October last. Farm subsidies, though somewhat amended, were hardly lowered; the planned postponement of improved pay for civil servants was shelved just as was the suggestion of not replacing--at least for a little while--public servants who quit for whatever reason. The proposal of a labor market tax payable by civil servants died even before the coalition negotiations began.

PCI'S RUBBI ON NEW GOVERNMENT'S FOREIGN POLICY

Rome RINASCITA in Italian 31 Oct 80 pp 10-11

[Article by Antonio Rubbi: "The Answers Forlani Did Not Give"]

[Text] An exhaustive examination of all the complex problems which characterize the current international situation and the direction being taken by Italian foreign policy could not properly be expected from the parliamentary debate on confidence in the new Forlani government. The burden of the problems left behind by the Cossiga government as a legacy was too onerous for that. However, dealing with the subject matter falling under the heading of foreign policy played a prominent part in the speech of the prime minister, "in a measured and well-balanced tone," and in the course of the debate. Nevertheless, a series of questions raised by us on some problems of absolute importance having to do with international relations did not produce a convincing response.

The first question was concerned with the international role of the European community and its relations with the United States. Every time this problem is brought up the dominant concern seems to be not a desire to subject to an objective examination those aspects of international politics in regard to which Europe can and should develop an initiative of its own but rather a desire to give an assurance of "unalterability" and "vitality" where relations with the United States are concerned, as if it were our desire to encourage a policy offering an alternative to international alliances which are recognized but not discussed, or even a policy of opposition to them. The point under discussion is something else, and specifically it is the question as to whether the European community, for the sake of its own interests and its prospects for the future, and because of the contribution it can make, independently, to the solving of unanswered questions on the continent and in the world, can and should have a policy of its own and can and should take the initiative on the international scene in conformity with that policy. Will Europe succeed in raising itself with respect to the condition which still keeps it "fragile where the ability to assert its presence and make political proposals as a unit is concerned," as that same Forlani pointed out not long ago? If a precise reply is not given to that demand, then not only will European-American relations be made more and more difficult and perturbed, but the policies of the European community will continue to be lacking in identity, qualified as far as amounting to a process of political development is concerned and damaged with respect to the interests of Europe as a community.

A reflection of this unresolved contradiction is to be found in the way in which the Honorable Forlani presented some of the more urgent international problems

and attempted to solve them. This occurred, in the first place, in connection with the negotiations regarding nuclear armaments. The prime minister asserted that "Europe cannot take America's place in the negotiations and the dialogue." We know very well that one aspect of the East-West dialogue concerns the two great powers directly and before it concerns anyone else, but does that rule out the possibility that steps might be taken which would bring a practical request to their attention? Neither the government nor the parties constituting the majority was willing to give an answer to this question in the parliamentary debate. Furthermore, there was an insistent call on their part to justify the decisions of Brussels last December as something which had made the negotiations possible, and, indeed, had "brought them about."

The fact that negotiations "on all medium-range weapons" had been proposed some months before the Brussels decisions was simply overlooked, and the fact that the negotiations which are starting now are being rendered more complicated and arduous by the exacerbation of the general situation (the failure of the United States to ratify SALT 2, the Soviet intervention in Afghanistan, the Iraqi-Iranian war and the explosive situation in the entire Middle Eastern area and the Persian Gulf) and are being made more cumbersome by the addition of new subject matter (a new armaments race, with the approval of the programs for the Mx and Trident missiles, and the working out of the "limited nuclear war" doctrine by the United States; the Soviet request to negotiate the American weapons on advanced bases located in Europe in the same context as the Euromissiles) was not mentioned. We continue to be of the opinion that if the request made by the Belgian and Netherlands governments, as well as by a large part of the populations and the political and social forces in Italy, England and Germany. That that decision be postponed were compiled with, the conditions under which the negotiations are being conducted would not only be more favorable and the possibility of their success be stronger but the general picture of the international situation would not be so bad and the outlook would be less gloomy.

We have not forgotten that the representatives of our country in Brussels, at the time the resolution to adopt the 572 Pershing and cruise missiles was signed, declared that it was their intention to take steps, during the 3 years it would take to produce them, to create conditions which would make their deployment superfluous, and that was and continues to be the target of our commitment.

And that is no longer a part of a retrospective speech, but rather an urgent, present-day demand. Why was no explicit reference made to that commitment? Why was the "formula of fading out like a scene in a motion picture" allowed to drop? Of the 3 years which had been specified, one has already passed, and no constructive steps in that direction have been perceived as yet. Quite the contrary. The only concrete step which seems to have been taken is that of seeking "sites" where the new nuclear devices may be located.

This is one aspect of Italy's international policy where the new government's approach has been as disappointing as it could be, and where Europe should have something to say. It is difficult not to agree with Olof Palme when he asserts that "...if it is not brought to a halt (the armaments race), it will lead to war, and that war might break out at a distance from us but it would be decided in Europe, where the future battlefields are being prepared..." In the three forums

where the discussions and negotiations are now being initiated--Geneva, Vienna and Madrid--Italy and Europe are called upon to make a specific contribution of their own--their precise proposals.

A second question is that of the problems in the Middle East. The prime minister not only dodged giving the requested explanations but he also presented phraseology that was so vague and contradictory that it would have been a tough job to extract from it the lines to be followed by Italian foreign policy. The explanation of the Italian government's attitude toward Iraq, which is responsible for starting a war with Iran, fell halfway between the making of admissions and reticence: the admission that he was aware that Iraq was prepared to denounce the Treaty of Algiers of 1975 unilaterally and reticence in regard to the preparations for war which were already known and in regard to the providing of weapons by our country, with the naval resources referred to being committed somewhere quite different.

The attitude to be taken in regard to the Arab-Israeli conflict is wrapped in the uncertainty of obscure phraseology. On the one hand, the position taken by the Council of Europe in Venice on 13 June 1980 was held forth as a desirable step while, on the other hand, putting our faith in a revival of the Camp David agreements was also depicted as desirable, and he finished by predicting that "people will continue to hope for further accomplishments in addition to the Camp David agreements." What does that mean? That we should continue along the path of agreements involving three parties? But only the Honorable Longo can see "a stabilizing factor" in the Camp David agreements. In fact, as Berlinguer reminded the chamber, those agreements did not prevent Israel from carrying out the annexation of Jerusalem, doubling its settlements on the near side of the Jordan River, occupying the southern part of Lebanon through a third party and now setting up for itself the annexation of Syrian Golan as an objective, as Begin's party proposes to do. Can this still be the path to take, or should another one not be sought, instead, which would lead us to a complete solution of the problems of the Middle East? But if that is our objective, we cannot go on opening up different centers for negotiations which are in conflict with each other at the same time.

Even with its limitations, we appreciated the declaration of Venice and the EEC's statement of an intention to take steps, with all interested forces, including the PLO, to bring about a solution of the Middle Eastern question. We believe that the European community is able to do that because it is the organization which is least affected by the strategic interests which bring the two great powers into confrontation with each other in that part of the world, and the most suitable one because of its own security interests and economic considerations and its need for multilateral cooperation with all the countries in that area. But the position of stalemate which was also confirmed again by the recent meeting in Luxembourg is overcome by that. We believe that steps must quickly be taken in that direction which will contribute to removing the obstacles which still interfere with the work of bringing peace back to that tormented region by means of a just and comprehensive solution which will ensure the security of all countries, including Israel, and the rights of all the inhabitants, including the Palestinians, and recognition of their right to have a nation of their own. Predictions of favorable future developments or calls to keep the straits open for navigation so that oil can flow through them are not enough. It is necessary for Europe and Italy to work out a new policy for the Mediterranean and the Middle East very soon and to put it into effect.

One might imagine that the Honorable Forlani intends to move in that direction when he says, "Italy, which is at the center of an area which is burdened with tensions and potential indications of conflict over and above the open and declared evidences of conflict, cannot conceal from itself the fact that it is an important country. Inertia on our part, the lack of an Italian presence where it was needed and a lack on Italy's part of an ability to act as a mediator would, of themselves, constitute a negative and destabilizing contribution, and one which would encourage various temptations and revenge-taking efforts of many kinds." Instead--and here we come to the final question--the prime minister is dusting off again, in this connection, the idea advanced last May in Florence of the need to "propose a conventional system of defense and security of our own, too, and to put it into effect within the framework of the Atlantic Alliance." That is, let us maintain the Atlantic umbrella and agree to the new nuclear weapons projects because they constitute a still more credible instrument of dissuasion, but let us not put our trust exclusively in the shield of NATO and nuclear weapons where our security is concerned; let us also provide ourselves with a defense system of our own. But can the security of our country and the other Western European countries really consist of a continuous increasing of the level of their armaments, whether nuclear or conventional? And what consistency is to be found in declaring ourselves ready to work in a practical way for gradual disarmament measures while at the same time calling for the armaments ceiling to be raised higher and higher, both within the Atlantic Alliance and in our own country? We are of the opinion that, given the level which now has been reached by armaments in the world, and, in particular, that reached by the military blocs of the two superpowers, the security of Italy and Europe does not reside in an illusory ability to make adequate responses in the field of military action but essentially in conducting a policy which will contribute to maintaining parity, balance and good relations between East and West; a policy of conducting negotiations to solve conflicts and open controversies in many areas of the world; and a policy which will promote and develop new relations involving cooperation and exchanges, on a basis of impartiality, between the industrialized world and the countries of the Third World. That is to say, we favor a policy which, through the attenuation of international and regional tensions and the preservation of balanced East-West relations, based on mutual confidence and reciprocal cooperation in regard to the big problems facing the world, would be able to move us forward toward disarmament, a new international economic order and a new set of international relationships. To bring about the implementation of such policies, we communists will fight in parliament and in Italy, with enthusiasm and determination, and with a desire to bring a constructive confrontation and the necessary agreements into being in this field.

9258

CSO: 3104

PCI IN SICILY SAID TO HAVE DECLINED SINCE 1963

Palermo L'ORA in Italian 13 Oct 80 p 9

[Article by Bianca Stancanelli: "How Is the PCI Doing? A Meeting of All the Sicilian Party Leaders"]

[Text] Someone has abruptly attempted to construct a sensationalized communist drama based on purges and self-criticism. The sequence of events? Berlinguer's speech in Catania and criticism of the Sicilian leadership, followed immediately by the appearance on scene--at the island's federations--of 25 activists from the North. Then came the replacement of the secretary at Caltanissetta. And finally, last Saturday and Sunday, the meeting of more than 200 section secretaries at Carini. "What drama?" is the rejoinder from the PCI [Italian Communist Party]. "The 25 from the North are a normal reinforcement for the regional elections in the Spring; the change in the secretaryship is explained as the result of family problems; and last Saturday's meeting had been on the agenda since last summer."

It is true, however, that the Sicilian PCI is experiencing a profound malaise, which one authoritative figure at the meeting in Carini last Saturday--Emanuele Macaluso, of the party leadership--calls a "decline." Is such a decline really taking place? "It is a period of serious difficulty, a period of crisis, which could turn into a decline if it persists," counters regional secretary Gianni Parisi.

A crisis, then. In the report which opened the meeting, Angelo Capodicasa of the regional secretariat pointed to the most alarming of the indications of the crisis: the "quite serious election reverses" of 1979 and 1980 and the decline in membership (down perhaps 4,000 from the 71,000 of 1977, in accordance with a trend which only this year has shown any signs of halting). Other factors are inserted into this basic picture: the diminution of communist strength in the urban environs; the "balding" of the party organization in the large cities; the weakness of the party's relationship with the working class (one young member from Catania told the meeting that at Misterbianco--in the industrial zone of Catania--where there are 2,000 workers, there is not even one party cell); and the loss of identity on the part of the sections, which have been reduced to experiencing "a stunted political life ritually linked to the impulses that come from party headquarters" (--Capodicasa).

It is precisely in this picture that Macaluso has seen the signs of the "decline." He has established a date: 1963; "from that time on," he says, "the discrepancy between the strength of the party in Sicily and its strength in the rest of the country increased." He also laid down a primary line of analysis. From that date forward (he says, in summary) Sicily has been undergoing a change, a major change.

its economy, and its very social structure, have changed. The party has been unable to understand this change--unable to direct it, to join with the new social types (the farm workers who have become landowners, the young diploma- and degree-holders who have no jobs and no prospects).

It is an analysis that was shared by everyone present at the meeting. "We have not been able to direct the positive processes or to counter the negative ones," Parisi acknowledged. But is the leadership to blame in this matter--the section secretaries, the federation officers? "Our cadres," Parisi remarked, "are excellent cadres, although there are some flaws in their training."

But "who" makes up the average PCI leadership cadre? One look at the hall last Saturday will suffice to form an idea: young people 30 to 40 years of age but including few women ("There are still many difficulties in assigning responsible tasks to women in the sections and in the federations," says Maria Teresa Noto, a top women's regional leader.) These women came to the PCI following their experience in the student movement and in other parties, and their experience was therefore more "of the political and cultural type" than one "formed in the midst of the class struggle" (--Parisi).

How then can these flaws in training be corrected? How can the crisis in the PCI be arrested? The meeting was not lacking in suggestions. In his concluding summation Giorgio Napolitano, of the national secretariat, enlarged upon these suggestions. "What is basically required," he said, "is that the party, its organization, and its capacity for analysis and participation be adapted to the changes that have occurred in Sicilian society. It would be an effort which has in part already been initiated but must be brought to the level of a coherent commitment by the entire party."

It is an effort which last spring's regional elections make even more urgent--and necessary. How can this effort be carried out in practice? By freeing oneself (and again it is Napolitano speaking) from "every residue of ideological and sectarianism, which are obstacles to an understanding of the changes in Southern society"; by revitalizing the sections, calling on them to express their views on local and national questions; by making more careful, more concrete, analyses and linking them more closely to the action; and above all, by vigorously projecting the party "to the outside world--to the needs and the problems of the people."

In short, by becoming a modern party that will--in the words of secretary Villari of the ANIC [National Agency for the Hydrogenation of Fuel] section at Gela--be able to function at one and the same time as "the party of the workers who are receiving assistance from the Wage Supplement Fund and the party of the ANIC workers, that is to say, of those who have problems merely surviving, and on the other hand, of those who have problems regarding their free time." It is a difficult task. Will the party succeed in solving it? "The fate of the party," Parisi warns, "is the fate of Sicily. If we lose the battle to institute development that is based on the productive use of resources we shall truly suffer exclusion." Which is the same as saying: This battle has to be won!

GIUNTA, UNIONS IN PUGLIA DISCUSS LEGISLATIVE PROGRAM

Bari LA GAZZETTA DEL MEZZOGIORNO in Italian Oct 80 p 4

[Article: "Regional Council and Unions Debate Legislative Programs"]

[Text] The scheduled closed-door meeting between the Regional Council and the federal trade unions was held yesterday evening on the program of the 3rd Regional Legislature. The joint CGIL-CISL-UIL [Italian General Confederation of Labor-Italian Confederation of Labor Unions-Italian Union of Labor] on the preceding day had drafted a document in which it presented its opinion on the principal subjects of discussion. President Quarta replied with a document which in practice sums up most of the trade union statements with some explanations and refinements. Following are full summaries of the two statements.

The trade union document begins with reference to the platform of the Puglia controversy, drafted by the trade union movement in April 1978 to emphasize that despite the workers' struggles and the improvement of the trade union's ability to state proposals, the results obtained were minimal. This was above all because a planning directive was not followed either on the national or the regional level and because there was a low point in the relations between the trade unions and the council. The document reviews the principal aspects of the crisis in regional production, dwelling on the seriousness of the employment problem.

This is an alarming picture which, according to the trade unions, confirms the validity of the objectives stated in the platform of the Puglia controversy. Therefore the resumption of the discussion between the regional government and the trade union movement is declared to be indispensable. However, it is asserted, a preliminary verification is needed of the willingness of the executive to agree upon: A--The planning objectives; particularly requested is the preparation, open to confrontation with the trade unions, of a preliminary document that would precede the drafting of the regional development plan; B--a relationship between the regional development plan and the national economic plan; C--the function of the regional administration in guiding economic development; D--procedures for the development of the regional development program that would guarantee maximum democratic participation and a new relationship with the trade unions.

The document further asks that urgent operational measures, necessary to deal with the crisis even before the drafting of the development plan, be preceded by a verification of the corresponding relationship between the government program and

the plan's objectives, and by assurances of availability for discussion with the trade union representatives. The document then analyses the quality of the relationships with the trade union (its role as a privileged interlocutor) and the arrangements for the discussion on various levels (United Federation and Federated Trade Unions according to employment categories), stressing that there should be no refusal to meet with the latter and with the provincial trade union organizational units, on the false assumption that the only interlocutor must be the United Federation. Finally, the trade unions defined the various levels of the discussions and, regarding the reorganization of offices, they reserve the right to present observations and proposals.

In the answering document, Quarta emphasizes substantial agreement between the trade union analyses and proposals and the contents of the planning agreement underwritten by the parties. This is why, the president declared, it is necessary to begin a discussion, even though in dialectical terms, to agree on singling out solutions and operational measures.

The document stresses the very primary importance of the trade union, one of the principal subjects with which the institutions and the regional administration cannot avoid discussion. The document continues that that role is recognized in the agreement underwritten by the parties and in planning statements. It is then recalled that there have been continuing discussions with the trade unions on specific subjects and that the proposal of an overall discussion on the legislative program was accepted. Replying to requests for clarification advanced by the trade unions concerning the forms and quality of relationships between the Regional Executive and the trade union movement, Quarta agreed that he considered planning to be the priority path toward overcoming the crisis, and he stressed the deadlines by which the Technical-Scientific Regional Planning Committee will be established and by which the development plan will be drafted.

Schedules and arrangements for discussions between the Technical-Scientific Committee and the trade unions will be established, taking into account, Quarta said, that primary political problems would require a particularly qualified counterpart, and therefore the meetings should be held on the level of the United Federation. Quarta further confirmed that the trade union is one of the groups fully entitled to participate in the formation of the development plan and its phases of implementation.

The document does not exclude relationships with the trade unions on the provincial level for typically local situations.

Finally, as regards draft legislation on the reorganization of offices, Quarta maintains that the discussion must take place with the United Federation, due to the effect this measure has on the problems and general interests of Puglia inhabitants in general. Therefore, he urges that a schedule of meetings be fixed and that the representatives of the trade union federation be designated.

6034

CSO: 3104

BRIEFS

PUBLIC INVESTMENTS DECLINE IN SICILY--Public investments in Sicily will decrease by 400 billion lire this year. The crisis and inactivity of the national government have prevented refinancing important laws for the year 1981. And thus, if the difficulties for the weaker regions of the South increase, the weight of problems opened at Rome and unloaded on Palermo also will increase. The missing 400 billion lire are the most evident negative factor in the 3-year 1981 to 1983 budget approved last night at the offices of the Regional Government Council. The budget provides for 1981 expenditures of 4,500 billion lire with an increase of 20 percent over the preceding year. One piece of good news: Tax receipts will also increase by 20 percent. Other newsworthy events: The government council has decided to accept some suggestions by the planning committee. And thus there is room in the budget for initiatives designed to decrease the cost of money in Sicily. [Text] [Palermo L'ORA in Italian 15 Oct 80 p 12] 6034

CGIL-CISL-UIL-SWISS AGREEMENT SOUGHT--At the conclusion of numerous meetings held at various levels within the union, and in the course of a dialog initiated with the Swiss trade union organizations, the CGIL-CISL-UIL [Italian General Confederation of Labor-Italian Confederation of Labor Unions-Italian Union of Labor] Federation obtained from the minister of labor last 2 October a statement of availability with respect to renewal of the agreement with the Swiss trade unions covering health care for the emigrants in Switzerland and for their family members. In this connection Minister of Labor Foschi has entrusted to the INPS [National Social Security Institute] the task of formulating a proposal in that regard. With a view to concluding the agreement as rapidly as possible, the CGIL-CISL-UIL will contact, and invite to Rome, the Swiss trade union confederations (USS and CSC)--organizations with which the Italian trade union entities of the zones along the Swiss border are in the process of concluding an agreement providing for cooperation in behalf of increased unionization and improved trade-union and social protection for the border populations. [Text] [Rome CONQUISTE DEL LAVORO in Italian 13 Oct 80 p 10] 10992

CSO: 3104

EUROPE URGED TO UNITE AGAINST REAGAN FOREIGN POLICY

Rotterdam NRC HANDELSBLAD in Dutch 7 Nov 80 p 8

[Article by Doctor of Laws, M van der Stoep, PvdA [Labor Party], member of the Second Chamber and former minister of foreign affairs: "Europe Must Unite Against Reagan Policy"]

[Text] A conservative tidal wave in the United States has led to the election of a president who must be considered a member of the Republican Party's right wing. That tidal wave also engulfed the Senate. Outstanding progressive senators were defeated; conspicuously conservative figures replaced them.

What consequences does all this have for American foreign policy? Some say that even for Reagan the opportunities to deviate from that would appear limited and that facing the realities of international political relations will force him to a greater continuity than is now assumed. The selection of advisers with great international experience could lead to the president, who previously in his career has shown a more pragmatic than dogmatic nature, realizing this early in his term of office.

This is perhaps partly correct. Thus one could expect that Reagan will give up or tone down his plans for improving ties with Taiwan, if it appears that relations with Peking would be strained too much because of that. And maybe he will take a more critical attitude towards Israel than can be assumed on the basis of his remarks during the election campaign, if a too pro-Israeli policy would jeopardize the existing relations with Arab countries, such as Saudi Arabia.

Power Position

But in other fields it will obviously be a matter of a change in policy. Carter, with all his shortcomings, showed he understood that besides a test of strength with the Soviet Union, other problems still urgently deserved attention. He especially clearly emphasized at the beginning of his term combating the dangers of the proliferation of nuclear weapons and human rights. Under Reagan, the interest in these

problems and also in North-South dialogue will presumably be considerably less. Everything indicates that the main concern will be strengthening the U.S. power position with respect to the Soviet Union. This can also lead to less sensitivity about rightist, authoritarian regimes and perhaps to a greater interest in South Africa's strategic importance and a milder condemnation of its apartheid policy.

After Vietnam, there was a period in the United States when the fear prevailed in Congress and public opinion of new involvement in conflicts in Asia and Africa. This was to the great distress of the American conservatives who thought that the Soviet Union had been able to take advantage of this "Vietnam syndrome" to improve its power position. But as Kissinger pointed out complacently on election night, Reagan's victory means that this syndrome has now been overcome and that the United States is again going to favor a firmer policy.

Even if Carter had been reelected and no conservative landslide had appeared in the Senate, it would have been doubtful whether SALT II would have been ratified later. Reagan's election means that SALT II is definitely dead. He repeatedly opposed this agreement and declared that he wanted to open negotiations with the Soviet Union about a new SALT agreement, that SALT I must be replaced and that naturally would have to be more favorable for the United States. This has far-reaching consequences.

Negotiations

Negotiations on SALT II took place for 7 years before the agreement was signed in June 1979 by Carter and Brezhnev. The agreement, it is true, did not lead to mutual reduction of strategic-nuclear armament, but it probably placed limits on its growth; it stabilized the nuclear balance and it offered prospects for more far-reaching measures in the field of nuclear weapons' control. Now Reagan rejects the results of the negotiations and demands they be reopened. It does not appear very likely that the Soviet Union will want to agree to that, at least, on short notice. The parties will probably finally sit down around the table. But, that can last a long time. And meanwhile, the nuclear armament race threatens to continue unchecked.

Exploratory negotiations were begun in Geneva a short time ago about mutual reduction of nuclear medium distance missiles. However, this was under the express condition of the Soviet Union that an eventual agreement could only go into effect if SALT I would meanwhile be ratified. The death of SALT II threatens to undermine the basis for these negotiations.

SALT II

Reagan's rejection of SALT II has special consequences for the Netherlands. In the NATO Council of Ministers of December 1979 about the modernization question, the Netherlands declared, among other things,

in the explanation of its own point of view, that it assumed that the SALT II treaty would be ratified in December 1981 (consequently the period in which the Netherlands would make a decision about the stationing of cruise missiles in its own territory in the light of the progress of the discussion on mutual limitation of medium distance missiles). The prime minister declared later in the chamber that the things mentioned were not expressed in the form of a condition because President Carter had told him that this would have an unfavorable effect on the voting in the U.S. Senate.

Difference of Opinion

And in a chamber document (1979/1980 session, 15 887, No 8) which appeared at about the same time, the government declared: "The connection which the government emphasizes between ratifying the SALT II treaty and implementing agreements which were or are being made in the framework of the LRTNF modernization program is well known." It now is certainly a fact that SALT II will not be ratified in December 1981. It is also practically out of the question for a new SALT agreement to be reached by then.

Not only the Netherlands, but all European NATO allies have always urged ratification of SALT II.

Thus an initial difference of opinion is developing between the new administration now coming to power and Western Europe. It is the question whether it will continue in this direction and even more whether in general the present policy which Reagan seems to intend to pursue with respect to the Soviet Union, will lead to friction, however much the opinion prevails in Western Europe, that preserving the Atlantic Alliance is certainly imperative in the present international situation.

Concerns about future American policy bring up the question again whether a closer discussion and a greater coordination of viewpoints of the European NATO partners is necessary to better neutralize tendencies in future American policies which Western Europe considers alarming. However, it is far from certain whether this can be realized, anyway for all of Western Europe. Thus you can imagine that the present British government would seem to have little or no difficulty with it. Still it will be necessary to consider how keeping a dialogue open with Moscow can be encouraged from Europe. Federal Chancellor Schmidt could play an essential role in this, as he has previously done already.

8490

CSO: 3105

TURKMEN INTERVIEWED ON AEGEAN ISSUE

Istanbul TERCUMAN in Turkish 24 Nov 80 p 4

[Text] Foreign Minister Ilter Turkmen, who answered AKAJANS' (Mediterranean News Agency) questions prior to the Turkish-Greek talks to be held in December on the secretary general and foreign minister levels, said, "There is always hope in the negotiations, but it is still too early to outline the parameters of this hope." Turkmen characterized Greece's present armament of the Aegean islands as a "violation of the treaties." With regard to Greece's efforts to expand its territorial waters to 12 miles, he responded, "The territorial waters of both countries in the Aegean is 12 miles. This is not our concern. It would be improper to engage in any speculative discussion in this regard." Turkmen, with respect to "the thesis that weapons parity in the Aegean is being disrupted" as Greece continually asserts in international forums, stated that Turkey within the NATO framework has a greater need for weapons support and assistance than does Greece. He said, "We hope that Greece will recognize this fact."

Recalling that determining continental shelf boundaries is a primary issue in the Aegean question, Turkmen said that each country's territorial waters extend 6 miles and beyond that is open sea.

Upon the AKJANS reporter recalling Greek Defense Minister Evangelos Averof's statement, "Greece is a country made up of islands. Greece fears that Turkey will be able to commit aggression. Greece is not extending its waters to 12 miles not out of fear of Turkey but for political and psychological reasons," Turkmen responded:

"The fact that Greece controls some islands in the Aegean does not accrue to Greece full rights beyond those furnished by its islands. I do not wish to believe that Mr Averof could make such a claim since such a right has not been granted Greece by international law. As to the 12 mile limit, Turkey has expounded its views several times before. This type of problem does not exist from our perspective. Turkish and Greek territorial waters are 6 miles each. Therefore, it would be improper to enter into any speculative discussion and draw conclusions from it. We recognize Mr Averof as a man who believes in Turkish-Greek friendship and who has worked for this friendship. Therefore, I do not want to make a judgment on his statements."

"If one works from the concept of a balance of forces between the two countries, it is out of the question that the two countries can cooperate with one another

as allies in the defense sphere and with other NATO nations. Turkey's defense needs must be determined within the NATO framework mindful of the threat level to which Turkey is exposed. The level of Greece's defense needs must be determined in exactly the same manner. If one bears in mind the geopolitical situation, it is most conspicuous that Turkey's defense needs are greater than those of Greece. We hope that after Greece reassumes its responsibilities in the NATO military wing it will recognize this fact."

Turkmen said, "With Greece's return to NATO's military wing the necessary groundwork has been laid for the start of new cooperation and solidarity between the two countries." Turkmen observed:

"Some additional problems need be resolved in order to establish trust between the two countries. I am not saying all the problems because it is impossible to solve all the problems straight away. One must be a bit realistic. Some problems with regard to airspace must be resolved. Some progress at least must be registered on the continental shelf issue. Greece has recently started to unnecessarily discuss--although doing it with moderation and tact--the Cyprus issue in international forums. We hope that Greece will abandon this. Should this approach continue, it could have a negative effect on relations."

CSO: 4907

INTERIOR MINISTER URGES LEGAL OFFENSIVE

Istanbul CUMHURİYET in Turkish 25 Oct 80 p 5

[Text] Interior Minister Selahattin Cetiner in a speech he delivered to 27 newly appointed provincial governors said "you must know what we have fought to preserve, with whom we have struggled, and that it is necessary not merely to defend ourselves but to launch an attack."

Interior Minister Cetiner noted that an employee who has not been successful in one place cannot be successful in another and went on to say "If a person does not perform well in city A he will not perform well in city B. To say 'take this person away from me' is an indication of weakness. That is he should either be a useful employee or he should be fired." Minister Cetiner who wanted to "prevent the theft of time," reminded his audience that it would be necessary for them to deal with every fault on the spot, that in every office there are opportunistic, harmful, and militant persons. The Minister said "either win them over or throw them out of the organization."

The minister noted that provincial problems varied in degree according to the province and that the most useful persons were sent to the provinces where they were most needed and went on to say:

"...if you can save yourself from political influences, from personal and class struggles, if you use your creative force, if you obtain the support of the people and act with resolution, you also can be another Ahmet Devdet Pasha, Kazim Dirik, Lufti Kirdir, Hasim Iscan, Nevzat Tandogan, our great governors, and like them leave your mark and be remembered."

After the meeting the interior minister and governors received Evren and Uluu.

The Mayors

In other news the National Security Council relieved all of the mayors in 54 cities of their duties and appointed new ones. Majors have not yet been appointed for 13 provincial capitals. In the provinces in which new mayors have been appointed, 14 of them are governors, 7 are former mayors; in one province there is a retired governor and four assistant governors, and in 2 provinces the new mayors are persons who have previously been mayors.

The provinces to which mayors have not yet been appointed are as follows: Adana, Artvin, Cennakkale, Denizli, Erzurum, Kayseri, Kizilirmak, Kirsahir, Konya, Nevsehir, Nigde, Siirt and Yozgat.

ISTANBUL MAYOR DISCUSSES SCOPE OF POLICIES

Istanbul TERCUMAN in Turkish 7 Nov 80 pp 1, 12

[Article by Ihsan Mungan]

[Text] In a conference called yesterday Istanbul Mayor Lt. Gen Ismail Hakki Akansel gave some information regarding services performed since the 12th of September and stating that "efforts have been made to head off the destruction which was being done to the municipality" he said "it has been determined that money was being syphoned off from the IETT [Istanbul Electric, Tunnel and Tramway] administration and the municipal Yemek Tabldot [literally good table d'hote] facility to various organizations."

The Mayor stated that there had been a 25 percent increase in municipal revenues over the past two months and that salaries had been paid this month without borrowing.

The news that the salaries of municipal personnel had been paid without borrowing for the first time in recent years was received with considerable interest.

Giving an example of the increased revenue the Mayor said, "while in the past the tolls collected from vehicles in the Eminonu Central Market have amounted to 90,000 lira a year, following our intervention this revenue rose to 90,000 lira in one evening."

Conference with the Press

Lt. Gen Akansel noted that the conference he had arranged was not a press conference, rather it was "a conference with the press," and said, their goals were to speed up once more the gears which have ground to a stop."

Preceding the conference the Mayor discussed the personnel issue and said, "there are extremist elements among the municipal personnel. These persons will be brought back to the Atatürkist line and those who will not are going to receive their merited punishment. The reason we have not pressed ahead too fast on this matter is our desire not to disrupt things. Our principle is to create a staff of real disciplined public servants in place of partisan and slow moving personnel of various descriptions."

Later on the Mayor explained the work connected with other services and went on to say the following:

The Public Will Go to the Theaters With an Easy Mind

"Extremist elements had brought us to the state where people could not go to the municipal theaters. The necessary measures were taken in this regard. As a result the presentations which are to be put on stage will be subjected to censorship and the public will now be able to attend these theaters with an easy mind.

The occupation of the waterfront has been brought to an end. The banks of the Bosphorus will be open to the public. In turn these measures will be applied to other areas. Permission will not be given to itinerant peddlers and vehicles to occupy the main avenues and squares and to park illegally.

Price controls are to be enforced by more than 40 newly formed teams. In two months 22 million lira in fines as a result of these controls have been added to our revenue and fines were levied in 3,394 cases."

The Municipality Must Receive Its Share From the Bosphorus Bridge

The Istanbul Mayor maintained that the municipality ought to receive a share of the revenues from the Bosphorus bridge and noted that the authorities had been put on notice with regard to this demand. On the subject had been put on notice with regard to this demand. On the subject of services he said the following: "the city walls will be cleared of the squatters who have occupied it from one end to the other and the storage piles of sand, coal, and fuel will be eliminated."

9353

CSO: 4907

RESIGNATION PROVISIONS REMAIN IN EFFECT

Istanbul CUMHURİYET in Turkish 24 Oct 80 pp 1, 5

[Article by Yılmaz Sipal]

[Text] The obligation to pay longevity compensation to workers who leave their employment for reasons of retirement, disability, and one-time payments was spelled out in the Labor Law 1475. The question is what is the situation with regard to longevity compensation of workers who leave their employment under conditions other than retirement, disability and one-time payment, in other words who resign.

We can divide the latter into two groups: The workers who do not belong to any union or for whom the collective bargaining contract signed between the employer and the union does not call for payment of longevity compensation under conditions of resignation however these will receive longevity compensation in cases of retirement, disability or one-time payment. These later conform to the conditions called for in the labor law.

The second group is comprised of workers who are members of a union which has negotiated a collective bargaining contract with the employer which calls for payment of longevity compensation in case of resignation as well. These workers will then receive longevity compensation in cases of resignation. The amount of this compensation, however, is not to exceed seven and a half times the current minimum wage for every year of service or 40,500 TL.

The new law amends article 14 of the labor law. The rights obtained under law number 275 regarding collective bargaining, strikes, and lock-outs are not abridged. If the stipulation regarding longevity compensation in the event of resignation has been accepted in collective bargaining contracts conforming to law number 275 it will be valid.

Furthermore in cases where the worker does not conform to the rules laid out in article 16 of the labor law regarding health, morals, and good faith if he resigns for similar and compelling reasons and is justified in his resignation whether or not it is specifically mentioned in the contract, he will also receive longevity compensation.

9353

CSO: 4907

RPP'S BAYKAL, JP'S BULDANLI PUT ON TRIAL

Istanbul HURRIYET in Turkish 5 Nov 80 pp 1, 15

[Text] The trials of former RPP Parliamentary Deputy Deniz Baykal and former JP Mugla Deputy Ahmet Buldanli for insulting the abstract personality of the government and the President have begun. The two former parliamentarians, whose hearings followed one after the other, held to the view that "what they said at that time did not constitute an offense."

Deniz Baykal's hearing was the first of the two former parliamentarians indicted without arrest before the Ankara fifth felony court. Baykal, who was defended by Onder Sav, Ugur Alacakaptan, and Nail Gurman, stated that "there was no element of contempt toward the government" in his speech and went on to say:

"There is no question of intentional contempt. As assistant Secretary General I expressed my views with regard to an anarchistic incident (there is anarchy within the government) and in so saying I did not refer to the government as a whole but to elements within the government. This was a speech made in performance of my duties. In 1975 anarchy had just begun. I made this speech in parliament and the elements that I referred to and which I said were in the government are under arrest and are being tried today."

In the second hearing at the Ankara Fifth heavy penalties court (felony court) the former Mugla JP Deputy Ahmet Buldanli was under trial. Buldanli is being tried for insulting the abstract personality of the government and the President because of the telegram which he sent to the President on 9 November 1978 which referred to them as "eccentric". Buldanli also stated that in his opinion his words "did not constitute an offense" and went on as follows:

"I know how exalted an office the presidency is. My words are not an act they are an act [as printed]. At that time 11 members of a political party had been misled by promises, two members did not read, and one had been tried under article 141. I was very much depressed and I sent a telegram to the President."

Imprisonment from one to six years is being demanded for the two former parliamentarians.

9353
CSO: 4907

EFFORT TO VOID ARTICLE 163 FAILS

Istanbul MILLIYET in Turkish 4 Nov 80 p 6

[Text] A petition charging that article 163 of the Turkish Penal Law was contrary to the Constitution was rejected by the Constitutional Court in a ruling which stated that the said article's provisions regarding the secularity of the constitution were natural and compelling.

In the petition which requested repeal of paragraph four of article 163 presented by the Istanbul Martial Law Command Military Court on the assertion that it is contrary to the constitution, attention was called to the fact that the words of the said article, which refer to "acts contrary to secularity" and "fundamental rules governing social, economic, political and legal functions of the state" are not clear either in terms of content or implication and on these matters lawyers and judicial bodies have been unable to agree, and for this reason different applications have been made on the basis of different interpretations and that therefore the penalties stipulated in the Constitution run contrary to legal principles.

Furthermore in the petition to the Constitutional Court it was pointed out that it does not constitute an offense in Turkey to conduct anti-religious propaganda but that to defend the viewpoint that economic and social development is dependent upon the Islamic faith and canonical law is considered an offense and it was maintained that this is contrary to the principal of equality under the Constitution. The Istanbul martial law military court requested repeal of said article 163 paragraph four stating that it was contrary to a number of articles in the Constitution.

The Constitutional Court examined this petition and pointed out that the aforementioned article of the penal law was based upon the principle of secularity which forbade propaganda and proselytizing. The court decided that this paragraph was intended to defend secularity and that it was included in the constitution's article relating to the freedom of conscience and religion and that furthermore it was not contrary to the article of the constitution guaranteeing freedom of thought. In the decision of the Constitutional Court which pointed out that article 2 of the Constitution embodied the principle of secularity it was said "article 163 of the Turkish penal law which preserves the principle of secularity in political and legal life, is a natural and compelling consequence of the Constitution and the Constitution establishes secularity as a fundamental rule." The Constitutional Court unanimously rejected the objection for all of these reasons.

9353

CSO: 4907

CERTAIN UNIONS TO RESUME SPECIFIED ACTIVITIES

Istanbul CUMHURİYET in Turkish 5 Nov 80 pp 1, 5

[Article by Sukran Ketenci]

[Text] Unions whose activities have not been suspended by decision of the National Security Council have begun to receive permission to carry on certain operations. The most important development in this respect is the international training seminar being inaugurated by the Tarım-İs trade union under the auspices of the Yol-İs federation general council on 11 November in Ankara. Moreover certain regional trade union organizations also, especially some connected with Turk-İs and some independent unions have received authority to begin functioning. Lists of those authorized have been given out, and there are some unions newly authorized.

In the letter sent by the Ankara governorate to the Yol-İs federation regarding permission for the general council it is stressed that it did not fall within the purview of council decision number 7 suspending activities of trade unions, and it was stated that there appeared to be no objection to the restoration of the general council.

Together with the resumption of the trade union activities outlined above Social Security Minister Sadık Side announced that 17 labor contracts for the state economic enterprises were going to be signed.

It is expected that the National Security Council and the Ministry of Labor, following the issuance of permission for certain trade union activities, would issue further statements and pass laws to clarify to what degree Turk-İs would be free to carry on its activities.

9353
CSG 007

REPORT OUTLINES STATUS OF ECONOMIC MEASURES

Istanbul MILLIYET in Turkish 5 Nov 80 p 9

[Article by Hayri Birler]

[Text] The Turkish Chamber's of Commerce, Chambers of Industry, and the Association of Commercial exchanges have issued a report containing their views on economic developments over the past three months and in this report the view is asserted that "the 24 January stability measures have achieved their basic aims, and that inflation has been brought under effective control."

In the economic report which covered the period July through September 1980, attention was called to the fact that "especially during the month of September significant domestic and foreign events occurred, internally the armed forces took over complete control and externally the border dispute between Iran and Iraq erupted into open warfare."

The report stated "the stabilizing measures which were taken on 24 January 1980 in great measure achieved their fundamental aim in a period of time that could be considered to be earlier than expected" and went on to say the following:

"It is clear from indicators for the past month that thanks to the policies and practices called for in the program and measures taken later on, inflation has been brought under effective control. In fact the monthly rate of price increases in June fell to 2.8 percent, in July to 2 percent and in August did not exceed 1.5 percent; freeing the banks to determine interest rates in a consequent rise in interest rates caused savings to flow to the banks. The implementation of a strict money/credit policy achieved its primary aim. However these policies in the third quarter of 1980 have not been able to meet the needs of the productive sector, especially with regard to operational capital and as a consequence there has not been the expected increase in production. It will be necessary in later periods to give these policies a new form which will increase production and encourage foreign trade."

The report explains "foreign purchases and foreign sales operations were increased, however, because the formalities were not simplified and due to the difficulties experienced by the Turkish lira the deployment of foreign assistance and credits were impeded." It was also stated that worker remittances increased to an extraordinary degree. In the final section of the report the military takeover on 12 September 1980 was discussed and the following was said:

"We must state in all sincerity that the decisions taken by the new administration constitute a powerful guarantee for the future of our economy. Really the decision which was taken has made it possible to carry on the economic program of the previous period without interruption or hindrance and ought to be able to guarantee the elimination of all the difficulties which have been hindering the healthy continuity of this program and should result in a short period of time in the establishment of a lawful order which had been heretofore impossible to achieve. That is to say that the environment of confidence created by the new administration has in a short period of time led to an increase of deposits in the banks, has stopped the widespread strikes and has accelerated production which had decreased in a significant measure. Providing the program of the new government is effectively implemented even more positive developments in our economy may be expected."

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CSO: 4907

FRAGILE STATE OF ECONOMY EXPLORED

Istanbul CUMHURİYET in Turkish 9 Nov 80 pp 1, 7

[Article by Yalcin Dogan]

[Text] An evaluation of the nine months which followed the announcement of economic decisions by the Demirel government on 24 January 1980 demonstrates that there have been no positive developments in the economy. It is especially noteworthy that there have been regressions in the basic economic indicators in comparison with the previous years which should be considered significant and that the rate of inflation has increased. A summary of the economic indicators produces the following picture:

1. If prices during the final three months of the year were not to rise at all the rate of inflation will have amounted to 100 percent this year. It is expected that prices will rise around 5 percent during the month of October. The rise during the month of September amounted to 3.5 percent.
2. In the provinces which are monitored by the State Institute of Statistics, the consumer price index surpassed 125 percent.
3. Per capita real income fell in comparison with last year. The real setback in national income, considering the growth in population, was at a rate of 4.5 percent with respect to 1979.
4. According to a study made by the State Statistical Institute for the 1980 annual program and distributed to pertinent organizations this year's growth rate will actually record a regression of 2.2 percent.
5. Increases have been generated in foreign sales and foreign purchases with respect to the previous year reflecting the impact of rising prices. However in terms of amounts both have decreased with respect to last year. For example excluding petroleum purchases the amount of regression in imports over 1979 is in the neighborhood of 40 percent.

National Income and Per Capita Income

In the light of the 24 January decisions developments in the economy are as follows:

The national income figures for this year have been calculated by the State Institute of Statistics and have been given to the State Planning Organization for use in

the preparation of the economic program for 1981. According to the figures, which were not disclosed to the press, there has been an actual decline in the growth rate of our economy during 1980 confirmed at 2.2 percent.

A decline in our manufacturing industry holds an important place within this overall decline. The fall in income in the manufacturing industry of 11.7 percent reached a very high figure. In comparison with last year certain important agricultural products also registered declines. In view of the fact that Turkey is an agricultural country the fall in the production of cotton and wheat is of significance. The decline in the production of wheat over last year comes to 100,000 tons.

If we compare the decline in national income and the fall in production to the population growth rate it will be seen that national income actually declined 4.5 percent. Comparing this decline to the fall in per capita income it becomes clear that per capita income has diminished rapidly, in other words the people are gradually becoming impoverished and their buying power is greatly diminished.

The Turkish lira which has fallen from 47 lira to the dollar at the beginning of the year to 70 lira is continuing to lose its value. When the dollar was set at 87 lira this year (today it is 87.95 lira) per capita income will have fallen below 1,000 dollars. Per capita income rose above 1,000 dollars in 1977, its return to 1976 levels is one of the more striking examples of how the people are becoming impoverished.

Foreign Sales Figures

When one compares developments in foreign sales figures for January through September 1980 with figures for the same period in 1979 it is clear that a similar regression has occurred in this field as well.

While the value of foreign sales between January and July 1979 came to 1,655,000,000 dollars this figure for January through July 1980 rose to 1,780,000,000 dollars. Consequently this shows an increase of 7.5 percent in foreign sales. However if we compare the same periods from the standpoint of quantity the amount of foreign sales turns out to have declined. Taking the important items one by one, mining and quarrying products declined from 944,000 tons in 1979 to 650,000 tons in 1980. This shows a decline of 31 percent. There is also a decline in value of these products. Ninety-five million dollars worth of foreign sales in these products has dwindled in 1980 to 75 million dollars.

Industrial Products

In the case of foreign sales of industrial products there has been an increase in value, however from the standpoint of quantity they have declined. In 1979 as of the month of July 1,305,000 tons of industrial products has been sold whereas in the same period in 1980 this figure had declined to 633,000 tons. This decline is in the neighborhood of 52 percent, however, foreign sales of these products in 1979 earned 476 million dollars whereas in 1980 they earned 512 million dollars. The fact that while the quantity had diminished their value increased is the clearest evidence of price increases.

Agriculture and Animal Husbandry

There was a decline of 36 percent in the foreign sales of agricultural and animal products in 1980 as of the month of July in comparison with July of 1979. The 1,152,000 tons of agricultural and animal products sold abroad in 1979 had declined in 1980 (July) to 724,000 tons. The value of these exports during the same period rose from 755 million dollars in 1979 to 825 million dollars in 1980, again attributable to the rise in prices. There was no increase in production.

Production and Foreign Purchases

Comparing the January through July period of 1979 to the same period of 1980 with the exception of machinery, fertilizer, and freight vehicles the other goods showed an increase in foreign purchases, but a decline developed in the former goods. The decline in investment goods showed on the one hand that investments are diminishing and on the other hand that Turkey is still lagging in industrialization.

If the figures of August 1980 are compared against the figures for August 1979 it becomes apparent that there has been an increase in foreign purchases of 21 percent. Foreign purchases have risen in August 1980 to 3,650,000,000 dollars over the previous years' 3 billion.

Foreign purchases of industrial products have risen from 2,205,000,000 dollars to 2,307,000,000 dollars. The percent increase is 5.3. Mining and mineral products rose from 450 million dollars to 5 million dollars. The rate of increase is 89 percent. Agricultural and animal products rose from 23 million dollars to 26 million dollars. The rate of increase is 15 percent.

Foreign Purchases of Petroleum

In spite of the growth in value and overall amount the real source of the increase registered by foreign purchases lies in the increase in petroleum prices. If the purchases of petroleum are left aside it becomes apparent that there has been a 40 percent decrease in imports as compared with the previous years. Payments for petroleum in 1980 compared with 1979 increased 100 percent. Payments for petroleum in August 1979 amounted to 380 million dollars whereas in August 1980 780 million dollars had been paid. Last year a 108 dollar crude oil purchase price has amounted to an average 208 dollars for an equivalent amount. Last year foreign purchases of crude oil came to 6,580,000 tons. This year the amount is 5,880,000 tons. However despite these developments in the foreign purchase of petroleum the apparent quantitative increase in foreign purchases can be sourced to the increase in petroleum prices.

Price Increases Are Presently One Hundred Percent

A short time after the announced economic decisions of 24 January 1980 the under-secretary of the prime ministry who is the current Deputy Prime Minister Turgut Ozal announced "price increases during 1980 will remain in the neighborhood of 35 percent." However even now (as of October) it has become definite that price increases in 1980 will amount to something like 103 percent. The ministry of trade has not

yet confirmed the figures for November, however, it is estimated that increases in November will amount to about 5 percent. The wholesale goods prices in September increased by 3.5 percent. The comparative decreases observed in April and May accelerated again in August.

Consumer Prices

Furthermore estimates of price increases made by the state planning organization and by the State Institute of Statistics indicate that they have exceeded 100 percent. The State Institute of Statistics has calculated consumer prices in eleven provinces in preparation for the 1981 economic program and it is apparent from these figures that current increases in a majority have exceeded 100 percent and in certain places they have approached 125 percent.

If we compare prices in the period January-September 1979 with those for the same period in 1980 the following developments in consumer price increases become evident: Ankara 109.4 percent, Istanbul 101.1 percent, Izmir 100.2 percent, Adana 111.3 percent, Antalya 89.9 percent, Bursa 107 percent, Diyarbakir 110.2 percent, Erzurum 112.2 percent, Eskisehir 105.2 percent, Ordu 93.8 percent and Samsun 93.6 percent.

The Volume of Issue Has Increased Fifty-four Percent

While announcing repeatedly that a strict money policy is being pursued it develops that the volume of issue from the first of the year to the present has undergone an increase of 54 percent. The volume of issue is mounting toward 300 billion lira. Consequently this increase has given rise to doubts that the strict money policy is being followed.

Consequently the significant declines in the economy and its worsening problems since 24 January 1980 are testified to by figure after figure on the economic charts.

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CSO: 4907

JP TAX BILL FOUND UNACCEPTABLE

Istanbul CUMHURIYET in Turkish 7 Nov 80 pp 1, 7

[Text] During the nearly two months that have elapsed while the tax bills have been considered the bills which were produced during the RPP and JP period have been studied, however at this point there has been a tendency to dwell especially upon the JP bill. Officials at the highest level however have stressed that "they wish new bills to be prepared" and that they want the "work connected a new tax bill to be completed in the shortest possible."

One of the subjects to be taken in hand following the 12 September military takeover was "the preparation of a new tax bill." The necessary instructions were issued to the Ministry of Finance to this end and the experts began work on this matter. The tax bills prepared during the RPP and JP periods were subjected to review and given intensive study. Studies were made of the income tax schedule, corporation tax, the taxation of agriculture and amendments in the law governing tax regulations.

In the work on a technical level two diverse views developed. One of these was that the tax bill should go into force the minute it was adopted. The second view was that it would go into force "at beginning of the 1981 fiscal year."

As work progressed a tendency developed to adopt the 'ill which had been prepared during the JP era as the "new tax bill" and the matter was submitted to upper echelons in this form. However the authorities stated that they wished to have "a new tax bill prepared" and that a bill which had been prepared previously could not stand as a new tax reform.

Thereupon the experts renewed their efforts "to prepare a new tax bill."

To Reduce the Tax Burden

The basic intention of the tax bill being prepared is to remove the tax burden on wage earners. At the present time wage earners are paying an income tax of seventy percent. In order to lighten this burden moves are under way to revise the income tax brackets and in addition to the minimum subsistence deduction to increase the special deduction which is applied solely to wage earners.

However when the experts who were preparing the bill came up with this proposal Deputy Prime Minister Turgut Ozal said that "to remove all at once the tax burden is going to create inflationist pressures" and maintained that "we must be careful" not to give rise to such a pressure.

Initial determinations call for taxing earnings in the bracket up to one million lira at the rate of forty percent. Aside from this the minimum subsistence deduction which is the current minimum wage, that is, 5,400 lira, is applicable. The bill, however, calls for authority to be given to the council of ministers to change this figure from year to year.

9353

CSO: 4907

HEAD TAX HIKE, COMPLAINT SYSTEM EXAMINED

Istanbul MILLIYET in Turkish 8 Nov 80 p 6

[Text] The Finance ministry is continuing work on the financial stability bill and is establishing the base figures upon which incomes and corporations will be taxed, and for the tax formula law, and the fixed and other taxes.

In a new regulation the ministry has decided to stamp all ledgers relating to taxation, documents, and printed matter. According to this decision the principle has been approved whereby all taxes [as printed] are to be printed and stamped by the ministry and given to taxpayers for an established fee. All those who use documents other than those distributed by the ministry are subject to penalties.

A technical committee specially organized the finance ministry has determined the substance of the section calling for an increase in fixed taxes. Calling attention to the fact that the increasing inequity arising in the structure of the income tax brackets which has intensified and sided as a result of accelerated inflation, this special commission has established figures for tax schedules, fixed taxes and penalties in keeping with present day conditions. According to these figures all taxes, duties, penalties, taxable income, payments, fees, profit, earnings, exemptions, and revenues which are included under the designation fixed taxes are approved for a tenfold increase.

The vehicle purchase tax will be raised from 12,000 lira to 60,000 lira, the license plate tax for a truck from 240 lira to 2400 lira, for a tractor from 144 lira to 1440 lira.

The fee for a one year passport will be raised from 1500 lira to 15,000 lira, that for initiating a court action from 20 lira to 200 lira, that for registration from 500 lira to 5,000 lira, and that for a license to open a pharmacy from 5,000 lira to 50,000 lira.

The tax rate for important records has also been raised, a rent contract will be raised from 2 lira to 50 lira, a marriage license from 75 lira to 750 lira, a driver's license from 50 lira to 500 lira, a tractor license from 20 lira to 200 lira, and a permit issued in accordance with traffic regulations article 19 paragraph 3 will be raised from 1000 lira to 10,000 lira.

It was announced that the bill relating to all this is still being worried on and that a final version has still not been issued, however, it has become clear that these tax rates under current conditions cannot be any lower.

Real estate sales taxes are also being revised. The rates on public housing, on workers housing and housing of lesser degree are being assessed at a lower rate of tax than other types of housing. A ten percent tax rate will be assessed on this type of housing. Besides this a transfer of ownership of real property without land registry or other types of turnover of ownership have also been made liable to taxation. The intention here especially is to make the shantytown subject to taxation.

In an amendment to the inheritance and transfer tax the current 40,000 lira exemption is being changed and raised to 500,000 lira. This is applicable for a single dwelling.

Changes have been introduced in the tax complaint commissions to enable them to operate more expeditiously. According to these changes, in the case of persons who are to be notified and cannot be located, notifications will be left with a person residing at the same address or in the case of a business address with one of the employees.

For those who apply to the discretionary commissions to be absolved from penalties on the basis of statutory limitation, when it has been proved that the statutory period has not expired penalties will be assessed beginning the first day following the calendar year in which the tax claim arose, and based on those stipulated for fault and evasion. A five year statute of limitations has been set.

The finance ministry is authorized to establish "central reconciliation commissions" in order to reconcile all manner of tax and penalty questions which exceed the authority granted to local commissions. The collection of the portion of tax for the protesting tax payers which gave rise to disagreement will be held in abeyance. However objections raised to taxes calculated on the basis of declarations issued on recorded protests may not halt tax collection. The taxpayer is obligated to pay an additional deferred annual interest rate of finalized disputed amounts taking as a basis the last day of the protest period. Thus the ministry will collect in the case of tax penalty a set amount of interest plus the penalty.

9353

CSO: 4907

NEW EXPORT SYSTEM REGULATIONS PUBLISHED

Istanbul MILIYET in Turkish 26 Oct 80 p 9

[Text] The Ministry of Trade will be authorized to take measures against countries, organizations, and firms obstructing or restricting our country's foreign trade or who discriminate against goods, organizations or firms.

Canturk: "In order for Turkey to extract herself from the current crisis remedial action is necessary in her tax system."

The Minister of Trade Canturk stated: "Laws obstructing exports have been removed."

Minister of trade said: "Mobilization is necessary for exports. However, even if this is done we shall fall behind the previously programmed 3.5 billion dollar export target."

Kuwait dinars, Australian dollars, and Saudi Arabian rials have been included in the list of currencies with which exports may be paid.

The dispatch abroad of sample goods by exporters has been facilitated.

Information relating to the sale by telex or wire of filberts, cotton, seedless raisins, dried figs and tobacco for export will be passed to the Ministry of Trade prior to export.

The period within which export exchange is to be brought into the country will be raised from 2 to 3 months.

The 1980-81 export program and export regulations went into force yesterday on being published in the RESMI GAZETE. The minister of trade, Kemal Canturk, held a press conference yesterday at which he announced the 1980-81 export program and export regulations and said that in order for Turkey to extricate herself from the current crisis the tax system needed to be remedied. Canturk indicated

that for a successful export program all concerned must adopt a mobilization mentality and said: "However, even if this is done, I'm sorry to state that by the year's end we will fall relatively short of the previously programmed 3.5 billion dollar export goal.

Canturk called attention to the fact that the new export program had been prepared in consideration of the general situation of the country's economy and foreign trade and stated the following regarding the changes which had been made in the new program over the old:

The prior concurrence of the Ministry of Trade and the prime minister's coordination board was obtained in order to eliminate bureaucratic obstacles to exports, to avoid redundant and obscure regulations, and to affect coordination among the ministries concerned.

In the application for export permits a portion of the supporting documentation previously required has been dropped, and the practice of issuing permits of 3-year validity which had already been initiated has been continued during this export season. Thus it has become possible to do away with certain formalities.

In regard to goods subject to support purchases (filberts, cotton, seedless raisins, dried figs, and tobacco) the exporters report alone containing the information from telex relating to the sale prior to the actual sale and reported directly to the Ministry of Trade will be used as a basis. The aim behind this is to follow the progress of the report in terms of amount and value for goods which constitute 40-45 percent of our exports and to arrive at quick decisions when necessary.

Rather than having exporters report information individually the professional organizations have been empowered to evaluate statistical information and pass it along periodically to the Ministry of Trade. Thus, the flow of information pertaining to exports will be received in a more orderly fashion.

In order to prevent doubts from arising in implementation definitions included in the regulation have been revised. On the other hand the definition of actual exports has been revised and this definition has received parallel application in customs regulations. Thus especially in respect to doubts arising regarding the possibility of obtaining rediscount credit for an exporter have been eliminated.

In the case of the payments in Turkey in cash in foreign exchange for export goods, the concept of cash foreign exchange has been broadened to include money orders, hard cash, checks, and travelers checks. Moreover, in a supplement to the export regulations (list of monies in which payment for export may be made), the Kuwait dinar, Australian dollar, and Saudi Arabian rial have been added. In exports directed to these countries it is now possible for payments to be made in their currency. With these changes obstacles which have previously beset cash foreign exchange transactions have been removed.

Definitions have also been added to the new export regulations relating to goods on consignment or export via joint account and the relevant text has been added. In this type of export clarity has been introduced in the matter of concluding foreign exchange obligation accounts.

Principles have been determined for matters such as export on credit which were touched upon in previous export regulations but for which actual practice was not thoroughly worked out and in the current regulations the manner in which these transactions are to be carried out have been dealt with in detail.

The transit trade regulations which were published last year and which deal with the goods of foreign origin or the direct sale of such goods to another country on condition that there be a net foreign exchange gain for Turkey whether involving an allocation of foreign exchange from our own resources or not have been rewritten in a much broader scope to deal with the difficulties which arose in actual application. It is estimated that this practice will result in a significant gain of foreign exchange for our country.

Principles relating to export from foreign free port areas or bonded warehouses were dealt with in the previous export regulations under a single article and in a rather complicated manner. This time this matter has been dealt with in the new export regulations in a simple and understandable fashion. Thus our export goods of all sorts may now be delivered to customs free areas and sold directly to customers.

The Ministry of Trade has once more been authorized to make arrangements falling within the category of cross-border trade and to make exceptions in the current import-export laws and laws governing the preservation of the value of Turkish currency and in the customs laws. The practice has once more been introduced whereby our entrepreneurs wishing to provide technical services abroad such as construction, equipping, assembly, engineering, planning, and advisory services can work out special arrangements which may constitute exceptions to the export program when they export raw materials, machinery, equipment, furnishings and consumer goods.

In the second month of 1980 the recording mechanism was by and large, with certain exceptions, abandoned since it frequently consisted of carrying out formalities. This practice has been retained in the new export program.

In order that licensing formalities may be completed expeditiously in the case of certain substances which are included in the licensing list (in all 12 substances) associations of exporters have been authorized in connection with the implementation of our export program to carry out this function.

The practice with regard to goods which are to be sent abroad to international fairs and expositions without involving payment and with regard to goods which are to be exported for commercial purposes with waiver has been once again worked out in the new program. Thus the dispatch of sample goods abroad by our exporters has been facilitated.

Furthermore in exports to the countries of the European Economic Community the necessary provisions have once more been worked out in order to benefit from the most favored nation formula and commercial facilities. Thus the development of trade with the EEC has been called for.

The relevant portion of the new export program dealing with collecting payments and the forms of payment for exports has been revised to eliminate the hesitancy which our exporters have encountered in the implementation by our authorized banks and the Central Bank. It is possible to enumerate these provisions as follows:

Certain substances whose export has been halted have been incorporated in a list with the purpose of introducing orderliness to their export.

The export of wheat flour has been left to a funding mechanism rather than a licensing arrangement.

The export of refined olive oil in tins has been freed in order to encourage its export.

Margarine manufactured from crude edible oils has been removed from the list of products subject to licensing.

Measures to be taken in response to formalities introduced by foreign countries restricting foreign trade have been spelled out in the new export program as follows:

"The Ministry of Trade has been authorized to take measures judged to be appropriate from the standpoint of our exports with regard to countries who are restricting foreign trade; who fail to carry out their responsibilities under commercial agreement; or with regard to countries who discriminate against goods, organizations or firms in foreign trade. The Ministry of Trade will take the necessary measures with respect to countries, organizations and firms who impose these discriminatory formalities either pro or con for their own benefit and real or legal entities thus benefiting, and with regard to firms who appear not to be in accord with the principles of our export program."

In response to a later question Minister of Trade Kemal Canturk noted that efforts are being made to have the period within which export foreign exchange is to be brought into the country increased from 2 to 3 months and that this should be achieved in a short time.

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CSO: 4906

EEC PRESSES FOR LIMITS ON TURKISH TEXTILES

Istanbul CUMHURİYET in Turkish 5 Nov 80 pp 1, 5

[Text] The European Economic Community (EEC) countries, after having imposed the use of visas on Turkey, now are in the process of trying to limit Turkey's foreign sales of textiles. Turkey's annual sales of textiles to EEC countries comes to around 220 million dollars.

The "multilateral textile agreement" between the EEC and third countries was last signed in 1977. By this agreement the EEC countries introduced definite limits on the amount of textile products which could be purchased from third countries. Furthermore, again by the same agreement, various textile products were classified into five groups and a definite ceiling was set for each group of products. An annual rate of increase in the amounts of these goods which could be sold was determined, and third countries were forbidden to sell above this figure, clearly setting a limit.

This agreement, which was also concluded between the EEC and Turkey was to last through January 1981. In the past four years the EEC countries established the amount of foreign sales made by Turkey in 1976 as the base and froze annual sales at this figure.

The EEC has begun preparations for negotiations with third countries with the intent of renewing the "international multilateral textile agreement" which expires in January 1981.

Preparatory efforts are also under way with Turkey. It is reported that the question has come up of introducing a new restriction upon Turkey's textile products in the new agreement, which will cover the next four years.

According to information obtained from the embassies of EEC countries in Ankara their textile industries remain in a "crisis" situation. Therefore these countries state that they will not purchase textile products beyond a certain limit and have given notice that "Turkey is among those countries which will first feel the effect of this situation."

In the next few days the principles of the agreement, preparations for the renewal of which are underway, will become more clear.

9353
CSO: 4907

TAX LAW REQUISITES ASSESSED

Istanbul CUMHURIYET in Turkish 29 Nov 80 pp 1, 7

[Editorial: "Truth Behind the Events"]

[Text] The six laws of the tax law package have been announced. It is said that the entire package consists of 21 laws. The nature of those provisions that concern a large segment of the public still have not been made sufficiently clear. As a result, reportage based on information released to journalists remains inadequate. However, what the public has always expected from a new tax law is pretty clear.

Turkey's social structure has been rapidly developing over the last 10 years. Monetary measurements and economic values have changed drastically. Various segments in society have anticipated the change in the tax law with hope.

These hopes may be summarized as follows: (1) The tax law must be geared toward providing equilibrium in a social justice system that has been flagrantly disrupted; (2) Measures must be adopted with regard to tax ratios that are to the benefit of wage earners; (3) A value-added tax must be implemented that is applicable to modern society; (4) Sectors that do not pay tax must be taxed; (5) Every type of measure must be legislated to check tax evasion.

This means that it is a matter of fulfilling the hopes focused on the new tax laws.

This process is being carried forth after a long interval. It is said and shown that for years the wage earner has shouldered the income tax burden. Even the title "the payroll's condemned" has been applied to the civil service and labor sectors. The fact that the agrarian sector is not taxed has been the subject of criticism for at least 20 years. Some businessmen characterize Turkey as "the tax evaders' paradise." Assessing a "value-added tax" on the accrued value of a product as it passes from stage to stage during the production process up to the time it hits the market has become a routine procedure in modern taxation.

Because all of these have been debated and mulled over for such a long time, the public awaits impatiently a tax law that addresses its wishes.

Moreover, a necessity within this package of measures is a tax law that takes into consideration the stopping of inflation. There is nothing in this that runs counter to IMF conditions. The degree to which this imperfectly reported tax bill will answer social expectations has now become an obvious concern. We are aware that internal stability is disrupted in a state that does not levy higher taxes on the prosperous and lower taxes on the less fortunate and that this disruption results in other sorts of reactions. In a Turkey whose parliament has not produced a tax law in 10 years, we expect that the eyes of the public are turned toward Ankara.

CSO: 4907

LAND REFORM LAW REPORTED IN PREPARATION

Istanbul CUMHURIYET in Turkish 5 Nov 80 pp 1, 5

[Text] It has been learned that the land reform law is to be passed prior to the formation of the constituent assembly.

A commission under the chairmanship of Minister of State Ilhan Oztrak, composed of one expert from the undersecretariat of land reform and two experts from the universities, have begun work on a draft bill. They will prepare it as soon as possible and it will be placed into effect before the constituent assembly is convened.

According to authorities the land reform bill will be prepared in consideration "of efficient production on the one hand and on the other of principles of social justice." Authorities stated that pains will be taken in executing land reform "to assure that for a given unit of land the maximum productivity can be attained."

Tax Bills

In other news it is stated that tax bills also will be passed and put into effect prior to convening the constituent assembly. As is known the work going into the tax bill is directed at lightening the tax load and the minimum subsistence deduction is also included.

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CSO: 4907

VIRGINIA TOBACCO REJECTED FOR CULTIVATION

Istanbul CUMHURİYET in Turkish 10 Nov 80 p 4

[Text] It has been announced that studies regarding the cultivation of Virginia type tobacco in Turkey have been fruitless. Experts are stating that the studies were indicative for Turkey as a whole and under these circumstances when the production of foreign type cigarettes is desired the importation of tobacco will be unavoidable.

Efforts were inaugurated in 1973 to raise Virginia type tobacco in the Tahirova production farm in Gonen which has been used for more than twenty years as Germany's "experimental farm." Despite all efforts over two seasons the cultivation proved fruitless.

The German experts have informed foreign tobacco companies, who so requested, of the results achieved here. Consequently the foreign companies have abandoned efforts to broaden such an experiment.

Experts who observed this experiment stress that Turkey must resort to foreign brand cigarettes under license. Thus every kilo of cigarettes produced will require purchase abroad of 200 grams of tobacco. It was stated that such a development would have an adverse effect on Turkey's balance of payments. In stating their views the experts called attention to the following points:

"Every production area which Turkey enters has a vital importance for our future. We must be especially wary with regard to the foreign purchases trap which the production may lead us into. Companies announcing at the outset that they are not going to resort to foreign purchasing may later be compelled to do so. For this reason before lifting the monopoly rights with regard to cigarettes, it was necessary to conduct experiments and engage in research. In this situation the files of the Tahirova farm must be researched with regard to these experiments."

Eastern Tobacco

While summarizing the experiment with the Virginia type tobacco in Turkey experts state that sight has been lost of the special tobacco known as eastern Anatolia tobacco. This tobacco is used to make mixtures of special character. However the private sector is not making purchases in this region and all tobacco there is bought by Tekel. It is suggested that the private sector examine the potential of using this tobacco in the manufacture of cigarettes when it is preparing plans for production during this period.

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CSO: 4907

PATRIARCH DEFENDS ARMENIAN STATUS IN TURKEY

Istanbul TERCUMAN in Turkish 7 Nov 80 pp 1, 12

[Text] In an announcement yesterday the Armenian Patriarch Sinork Kalustyan said "we have formed delegations to explain to the entire world that we are living in peace in Turkey." The Armenian Patriarch said that Armenians living in Turkey had done so in tranquillity throughout their history and had been carrying out their religious obligations and he stated that his announcements on this subject were sincere.

Kalustyan speaking in the name of the patriarchate spoke as follows regarding his trip to Europe which had been covered in the European press and quoted in turn by the Turkish papers:

"We did not say anything anywhere contrary to the interests and realities of our country. On the contrary, everywhere we went we touched upon the great tolerance present in our country with regard to religion. We condemned at every opportunity the inhuman attacks which have been directed against our country's representatives abroad. With regard to these incidents, we Turks of Armenian extraction who are an inseparable part of Turkish society feel an infinite sorrow.

We are bound to the Turkish society descended from Ataturk by our soul and our blood and our very being and no one has the right to intimidate us. As a citizen of Turkey and a spiritual leader we condemn with hate all manner of acts against Turkey.

We are going to organize delegations to send to the four corners of the world to explain the tranquility and well-being of Armenian society in Turkey."

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CSO: 4907

BRIEFS

TURK-IS BLASTS PRIVATE SECTOR--Turk-Is has made an announcement stating that workers' rights are being trampled upon in a major portion of the private sector and also criticizing employers. The announcement asked that Martial Law Commanders warn employers whose practices run contrary to National Security Policy. Turk-Is training secretary and executive council member Kaya Ozdemir stressed in the announcement that he made on behalf of Turk-Is that employers who do not recognize workers' rights are in violation of National Security Council policy. He also stated that labor agreements concluded for workers are not being observed in a large segment of the private sector--especially in the textile industry, metal industry, and glass firms. Moreover, bonuses are not being paid and pressure is being put on labor representatives. Ozdemir, while criticizing employers' conduct, also wants Martial Law Commands to warn employers about their arbitrary attitudes. He said, "We respect the discretion of the Martial Law Commands." [Text] [Istanbul DUNYA in Turkish 27 Nov 80 p 1]

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END

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29 Dec. 1980

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